

2008 Retail Trade Analysis Report



Fergus Falls & Otter Tail County, Minnesota

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Introduction

The University of Minnesota Extension has developed this retail trade analysis program to assist in the economic development of Minnesota towns and cities. These reports are available for all Minnesota counties, for most cities above 5,000 population and for a few cities smaller than 5,000 population. The retail sector of each jurisdiction can be evaluated by comparing its trends to those of other similar jurisdictions. Business people and economic development officials can use measures such as pull factors and leakages to determine the need and feasibility of new retail businesses.

Data Sources

Most of the data in the analysis are based on annual reports of Minnesota retail and use tax, published by the Minnesota Department of Revenue. The Department of Revenue published an annual report of sales and use tax by jurisdiction until 1996, at which time the reports were released biannually due to budget constraints. This analysis uses the available reports from 1990-1996, 1998, 2000, and 2003 through 2008. The reports interpolate data for the years in which data are not available. (See http://www.taxes.state.mn.us/taxes/legal_policy/research_reports/sales_use_statistics_main.shtml) The income data in this report are obtained from reports by Bureau of Economic Analysis (BEA). (See <http://www.bea.gov/regional/reis>) Population data are derived from the U.S. Census. (See <http://www.census.gov/popest/estimates.php>)

Sales and use tax permit holders file returns and remit taxes on either a monthly, quarterly or annual basis. Large businesses such as discount department stores whose tax is more than \$500 per month are required to file on a monthly basis, while medium sized businesses whose sales tax collections are less than \$500 per month, are required to file on a quarterly basis and small businesses with sales tax collections less than \$100 per month would most likely file on an annual basis.

Definition of Terms

Gross Sales

Gross sales include taxable sales and exempt sales for businesses holding sales and use tax permits. This is the most inclusive indicator of business activity for the reporting jurisdictions but it can be misleading when used in comparisons. At times commodity items (like gasoline), that are not taxable, can have large price variations, creating huge swings in gross sales.

Taxable Sales

Taxable sales are the amount of sales subject to sales tax. Taxable sales exclude exempt items, items sold for resale, items sold for exempt purposes and items sold to exempt organizations. For more information on what is taxed in Minnesota, see "Minnesota Sales and Use Tax Instruction Booklet" available on the web at http://www.taxes.state.mn.us/taxes/sales/instructions/st_bk07.pdf

Current and Constant Dollar Sales

Current dollar (or "nominal dollar") sales are sales as reported by the state. No adjustment has been made for price inflation. In general this measure of sales is not satisfactory for comparisons over long periods of time since it does not account for changes in population, inflation, or the state's economy. Constant dollar (or "real dollar") sales reflect changes in price inflation by adjusting current dollar sales with the Consumer Price Index (CPI). Constant dollar sales indicate the real sales level with respect to a base year. This is a more realistic method of evaluating sales over time than current dollar comparisons, but still does not take into consideration changes in population or changes in the state's economy.

Number of businesses

The number of sales and use tax permit holders who filed one or more tax returns for the year are reported as the number of businesses.

Reporting Period

The reporting periods in this report are calendar years. For example, the sales reported for the year 2000 are for the period, January 1, 2000 to December 31, 2000.

Per Capita Sales

Per capita (or “per person”) sales are calculated by dividing current dollar sales by the population estimate. In areas where population is subject to substantial change, this is a more satisfactory measure of sales activity than sales alone. However, it still does not reflect changes in the state economy.

Pull Factor

The pull factor was developed by Dr. Ken Stone, an economist from Iowa State University Extension Service to provide a precise measure of sales activity in a locality. It is derived by dividing the per capita current dollar sales of a city or county by the per capita sales for the state. For example, if a city's per capita sales are \$20,000 per year and the state per capita sales are \$10,000 per year, the pull factor is 2.0 (\$20,000÷ \$10,000). The interpretation is that the city is selling to 200 percent of the city population.

Pull factors are good measures of sales activity because they reflect changes in population, inflation, and the state economy. Pull factors are available through the Extension Service for total taxable sales for all cities with reported sales (generally, cities with a population of 5,000 or more) since 1990. The pull factors listed in this report are not adjusted for differing income levels in different communities; they are simply the ratio of local per person sales to the state average. Income levels are accounted for in the expected sales and potential sales formulas, described below.

Typical Pull Factor

The typical pull factor is a pull factor that represents the “norm” for cities within a population group. It is an average for cities within a population group taking into account any outliers in the group.

Personal Income

Personal income is defined as the income received by, or on behalf of, all the residents of the county (state) from all sources. Personal income is the sum of wage and salary disbursements, supplements to wages and salaries (e.g., contributions to retirement funds, health plans, life insurance policies), proprietors' income, rental income, personal dividend income, personal interest income, and personal current transfer receipts to persons (e.g. receipts of Social Security, disability, worker's compensation, Medicare/Medicaid, food stamps,etc.) less contributions for government social insurance (e.g. Social Security, Medicare). (For more details, see http://www.bea.gov/regional/pdf/spi2005/alternative_measures.pdf).

Index of Income

This index provides a relative measure of income, calculated by dividing local per capita income by state per capita income. The base is 1.00. For example, an index of income of 1.20 indicates that per capita income in the area is 20 percent above the state average.

Expected Sales

Expected sales is a retail performance benchmark. It is an estimate of the sales level a town would achieve if it were performing on par with Minnesota towns of a similar size. In addition to population and income variables, expected sales incorporates the typical strength of comparable communities via the *typical pull factor*. Expected sales is the product of city population, state per capita sales, the index of income and the typical pull factor. For example, if a city has a population of 5,000, the state per capita sales are \$9,000, the typical pull factor is 1.30, and the index of income is 1.03, expected sales is approximately \$60 million per year ($5,000 \times \$9,000 \times 1.30 \times 1.03$). This provides a means of comparing what is expected for a city of a certain size to what is actually happening.

Potential Sales

Potential sales is an estimate of the amount of money that is spent on retail goods and services by residents of a county. It is the product of county population, state per capita sales and the index of income. The potential sales concept for counties is similar to the expected sales calculations for towns. However, potential sales does not utilize a measure of average pulling power (like the *typical pull factor* that is used in the expected sales equation). Since a county is a relatively large region within which retail business takes place, counties are compared without adjustments for trade area size.

Variance Between Actual and Expected Sales (Surplus or Leakage)

The variance between actual and expected sales is how much retail sales differ from the “norm” (i.e., the amount above or below the standard established by the expected sales formula). When actual sales exceed expected sales, we say the city has a “surplus” of retail sales. When actual sales fall short of expected sales, we say the city has a retail sales “leakage”. The set of similarly-sized cities in Minnesota is the “peer group” to which the comparison is being made. Discrepancies between expected and actual sales occur for a variety of reasons.

Proximity to larger population centers, management, marketing, and transportation patterns are just a few factors that can cause the retail sales of a particular town to deviate substantially from expected sales. It is important that decision-makers consider these influences when constructing policies, plans, or projects. The surplus or leakage is expressed in dollars, percentages, and customer equivalents. The use of the analysis will dictate which measure best conveys the information, though all are equivalent. In the case of leakages, the dollar amount is usually the easiest to use since it immediately conveys the potential sales for new businesses.

Trade Area Population Gain or Loss

The trade area population gain or loss translates the percentage amount of surplus or leakage of retail sales into an estimate of the number of customers gained or lost in the trade area. It is calculated by multiplying the percent surplus or leakage by the population estimate for the city or county. For example, if a city with 10,000 residents had a retail sales surplus of 20%, the trade area population gain would be 2,000. Adding this number to the city's population gives an estimate of the population size of the city's trade area.

Cautions

Gross Sales

Gross sales is a comprehensive measure of business activity, but readers should be aware that the numbers in this report are self-reported by holders of sales and use tax reports. Furthermore, the gross sales are not audited by the State of Minnesota. It is believed that the gross sales figures are generally reliable, but there is the possibility of distortions, especially in smaller cities where misreporting may have occurred.

Misclassification

Holders of sales and use tax permits select the North American Industry Classification System (NAICS) category that best fits their business. Regardless of who makes this classification, errors are occasionally made. Also, sometimes a business will start out as one type of business, but may evolve over time to a considerably different type of business. Misclassifications can distort sales among business categories, especially in smaller towns. For example, a furniture store that is classified as a general merchandise store, will under-report the sales in the furniture store category and over-report the sales in the general merchandise category.

Suppressed Data

The sales data for merchandise categories that have less than four reporting firms are not reported. This is a measure taken by most states to protect the confidentiality of sales tax permit holders. The sales for suppressed categories are placed into the miscellaneous category and are included in total sales.

Consolidated Reporting

Vendors doing business at more than one location in Minnesota have the option of filing a separate return for each location or filing one consolidated return for all locations. The consolidated return shows, for each business establishment, the sales made, tax due and location by city and county. Data for the establishments of consolidated filers are combined with data for single-location filers to produce the figures in this report. Occasionally consolidated reports may not be properly deconstructed and all the sales for a company may be reported for one town or city. Whenever misreporting is discovered, contacts are made with the Minnesota Revenue Department to clarify the situation.

Changes Between 2000 and 2003

For fiscal year 2003, the Minnesota Department of Revenue implemented two major changes to improve their reporting of sales and use tax data. First, they adopted a geo-coding system, which accurately identifies the location of all business reporting sales and use tax to the state rather than relying on the businesses' postal addresses. One effect of this change is a movement of sales between neighboring cities (and in some cases, counties) in the year 2003. Thus, in several of the suburbs of Minneapolis and St. Paul and in cities such as Hermantown, which is adjacent to Duluth, the data show large increases in retail sales between 2000 and 2003, a substantial portion of which is due to the re-coding of business location and not to actual growth in sales.

The second change implemented by the Department of Revenue in 2003 was a shift from the Standard Industrial Classification system (SIC codes) to the North American Industry Classification System (NAICS codes). This switch does affect the comparability of the data series prior to 2000 with that of 2003 (and beyond), especially for merchandise categories. Overall retail and services sales are highly comparable over time. In many cases, the merchandise categories for the data prior to 2003 are very closely related to the new categories. For example, approximately 97% of the 2003 statewide sales in the general merchandise category were accounted for by firms also classified as general merchandise under the SIC system. In other cases, the correspondence is less straightforward. For example, only 56% of 2003 statewide sales in the Food and Beverage store category were accounted for by firms classified as Food Stores under the older classification system; 41% of 2003 Food store sales were accounted for by firms previously categorized as Miscellaneous Retail.

The NAICS system does provide greater detail and introduces some new sectors, such as Retail Electronics. Over time, these changes will improve the information available for retail trade analysis. For additional information, please see www.taxes.state.mn.us/taxes/legal_policy/other_supporting_content/salesuse_%202003_statistics_introduction.shtml.

Changes Starting in 2006

The Sales and Use Tax Statistics report for 2006 uses a slightly different methodology than in previous years. Rather than basing the report on the year in which sales were made (as was true in earlier reports), the 2006 report is based on when returns were processed. To best approximate the economic activity for calendar year 2008, this report includes all returns processed from February 2008 through January 2009. Returns are included in the report regardless of the date of sale.

Fergus Falls Retail Trade Overview

Total Taxable and Gross Retail Sales

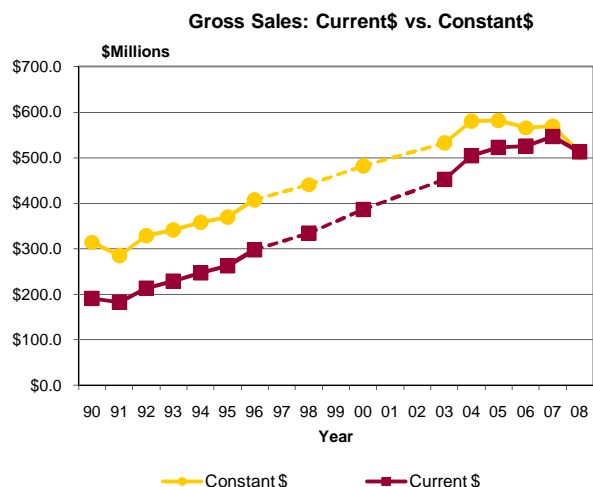
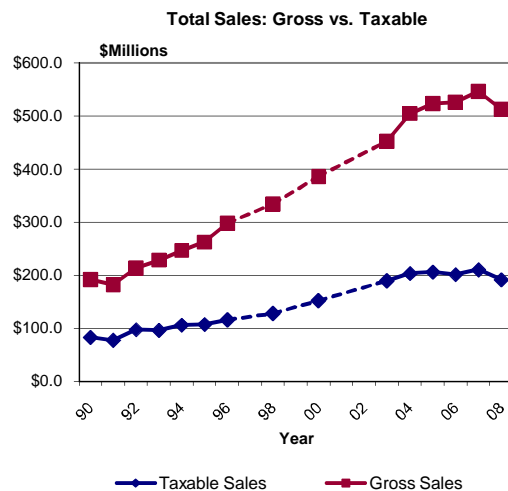
The table below presents gross and taxable retail and services sales for Fergus Falls from 1990 through 2008. Taxable sales in Fergus Falls increased 49.7 percent from 1998 to 2008, while the number of firms fell 25 percent. Statewide, taxable sales increased 51.5 percent over the same time period and the number of firms rose 11.3 percent. The per capita sales and pull factor data in this table are based on taxable sales, the more verified sales measure.

The table also presents sales data in constant 2008 dollars. These figures have been adjusted for inflation to reflect their value in 2008. For example, in 1990, taxable sales in Fergus Falls totaled \$83.08 million, an amount worth \$136.2 million in 2008 dollars. In constant dollars, gross sales grew 16.4 percent between 1998 and 2008. Constant dollar taxable sales increased 13.8 percent over the same time period.

Year	Estimated Population	Current Dollars		Constant 2008 Dollars		Number of Firms	Per Capita Sales	Pull Factor
		Gross Sales* (\$millions)	Taxable Sales (\$millions)	Gross Sales* (\$millions)	Taxable Sales (\$millions)			
1990	12,680	\$191.62	\$83.08	\$314.12	\$136.20	466	\$6,552	1.49
1991	12,821	\$182.51	\$77.67	\$285.17	\$121.36	484	\$6,058	1.38
1992	12,934	\$213.34	\$97.68	\$328.21	\$150.28	477	\$7,552	1.56
1993	13,047	\$228.78	\$96.35	\$341.46	\$143.81	482	\$7,385	1.46
1994	13,191	\$246.87	\$106.51	\$357.78	\$154.36	508	\$8,075	1.48
1995	13,346	\$262.60	\$107.79	\$369.86	\$151.82	494	\$8,077	1.42
1996	13,695	\$297.86	\$116.28	\$408.03	\$159.29	490	\$8,491	1.27
1997	13,947	NA	NA	NA	NA	NA	\$0	NA
1998	14,065	\$334.84	\$128.11	\$440.58	\$168.57	503	\$9,108	1.31
1999	14,305	NA	NA	NA	NA	NA	\$0	NA
2000	13,471	\$385.86	\$151.82	\$482.33	\$189.78	442	\$11,270	1.48
2001	13,768	NA	NA	NA	NA	NA	\$0	NA
2002	13,883	NA	NA	NA	NA	NA	\$0	NA
2003	14,033	\$452.82	\$189.31	\$532.72	\$222.71	361	\$13,490	1.51
2004	13,715	\$505.01	\$203.57	\$580.47	\$233.99	369	\$14,843	1.60
2005	13,698	\$523.27	\$206.48	\$581.41	\$229.42	376	\$15,074	1.58
2006	13,839	\$526.14	\$201.84	\$565.74	\$217.03	360	\$14,585	1.52
2007	13,697	\$546.52	\$210.72	\$569.29	\$219.50	389	\$15,384	1.58
2008	13,636	\$512.90	\$191.84	\$512.90	\$191.84	377	\$14,069	1.47
10 yr Change '98 to '08								
	-3.1%	53.2%	49.7%	16.4%	13.8%	-25.0%	54.5%	12.6%
3 yr Change '05 to '08								
	-0.5%	-2.0%	-7.1%	-11.8%	-16.4%	0.3%	-6.7%	-7.0%

*Gross sales figures are self-reported by firms and not audited by the Dept. of Revenue for accuracy.

Fergus Falls: Total Retail Sales

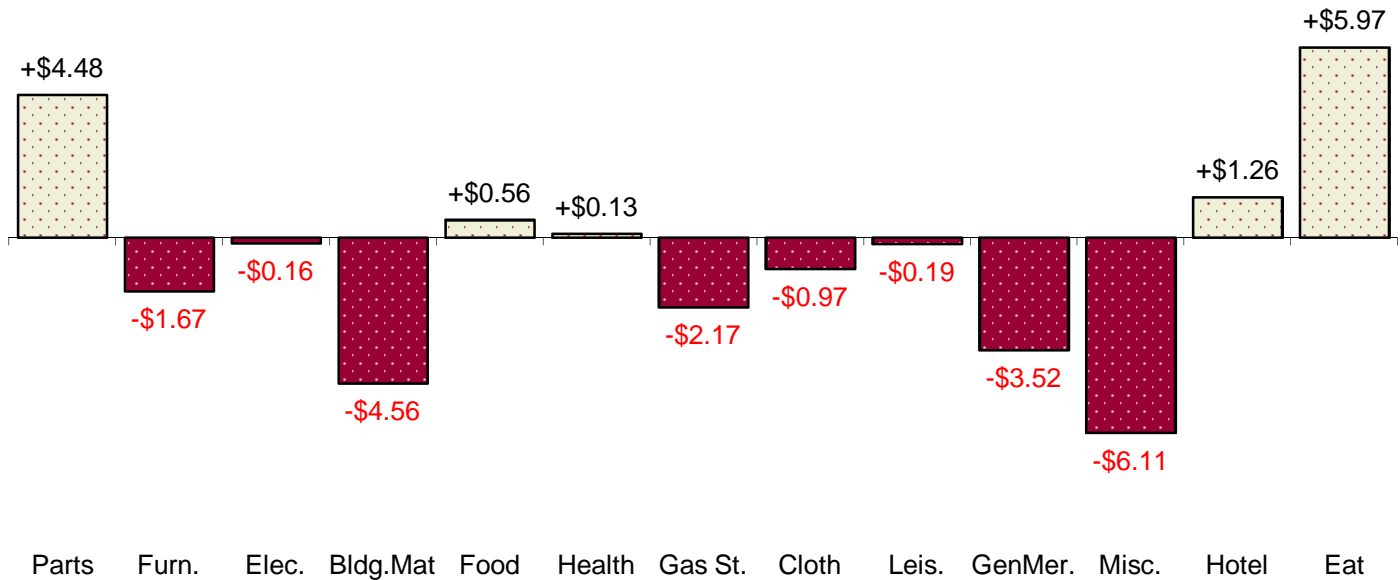


Fergus Falls Components of Change, 2005 to 2008

Category	Taxable Sales 2005	Taxable Sales 2008	Dollar Change	Percent Change
Vehicles & Parts	\$26,849,187	\$31,330,226	+\$4,481,039	+16.69%
Furniture Stores	\$5,693,472	\$4,019,749	-\$1,673,723	-29.40%
Electronics	\$1,165,418	\$1,000,959	-\$164,459	-14.11%
Building Materials	\$28,661,557	\$24,105,540	-\$4,556,017	-15.90%
Food, Groceries	\$11,931,805	\$12,490,651	+\$558,846	+4.68%
Health, Personal Stores	\$97,458	\$228,065	+\$130,607	+134.01%
Gasoline Stations	\$4,957,352	\$2,785,582	-\$2,171,770	-43.81%
Apparel	\$5,130,506	\$4,159,000	-\$971,506	-18.94%
Leisure Goods	\$511,314	\$323,264	-\$188,050	-36.78%
General Merchandise Stores	\$64,103,757	\$60,584,467	-\$3,519,290	-5.49%
Miscellaneous Retail	\$20,666,751	\$14,557,429	-\$6,109,322	-29.56%
Accommodations	\$3,926,601	\$5,188,607	+\$1,262,006	+32.14%
Eating & Drinking	+\$14,149,202	+\$20,114,408	+\$5,965,206	+42.16%
Total Retail and Services Sales	\$206,478,457	\$191,838,072	-\$14,640,385	-7.09%

Figures not adjusted for inflation.

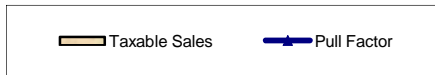
Dollar Changes by Category (in Millions) 2005 to 2008



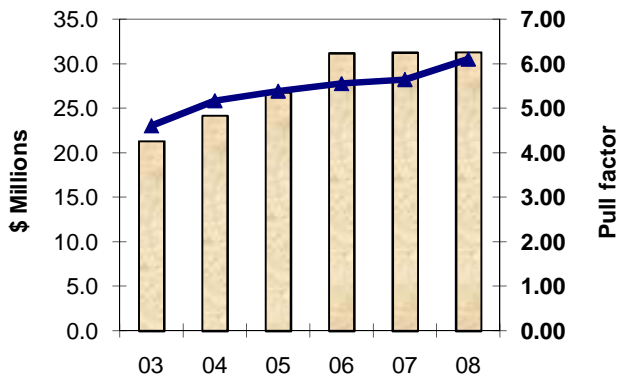
Recent Trends By Merchandise Category

Fergus Falls

This page looks at several merchandise categories to chart the five-year trend in taxable sales and pull factor.



Vehicles & Parts

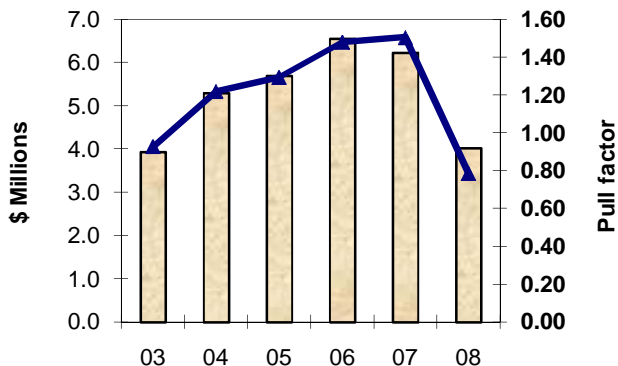


16.3% of Fergus Falls's taxable sales in 2008

Sales per capita are \$2298

Stores in the Motor Vehicle and Parts Dealers subsector retail motor vehicles and parts from fixed point-of-sale locations. This can include automobiles, campers, RV's, boats, out-board motors, sailboats, snowmobiles, motorcycles, and all terrain vehicles.

Furniture

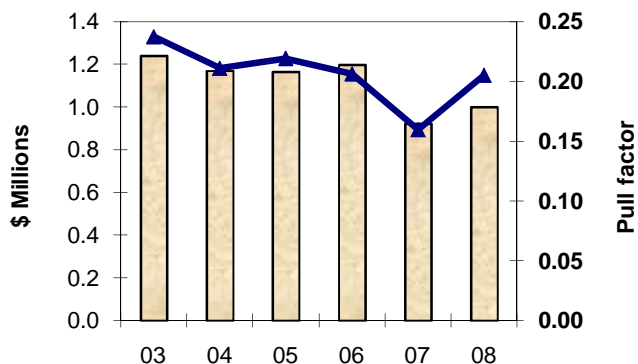


2.1% of Fergus Falls's taxable sales in 2008

Sales per capita are \$295

Stores in the Furniture and Home Furnishings subsector retail new furniture and home furnishings from fixed point-of-sale locations. This can include bed stores, office furniture, carpet stores, window treatments, lamps, framing shops, linens, and kitchenware.

Electronics



0.5% of Fergus Falls's taxable sales in 2008

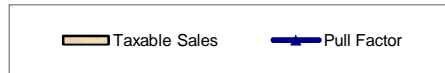
Sales per capita are \$73

Stores in the Electronics and Appliance subsector retail new electronics and appliances from point-of-sale locations. This can include household appliances, sewing machines, vacuum cleaners, computers, cameras, telephones, cell phones, televisions, and radios.

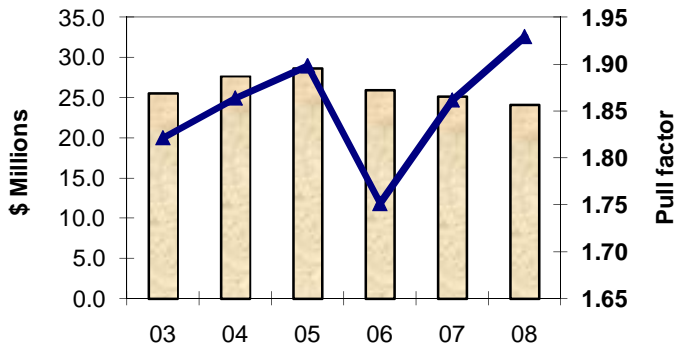
Recent Trends By Merchandise Category

Fergus Falls

This page looks at several merchandise categories to chart the five-year trend in taxable sales and pull factor.



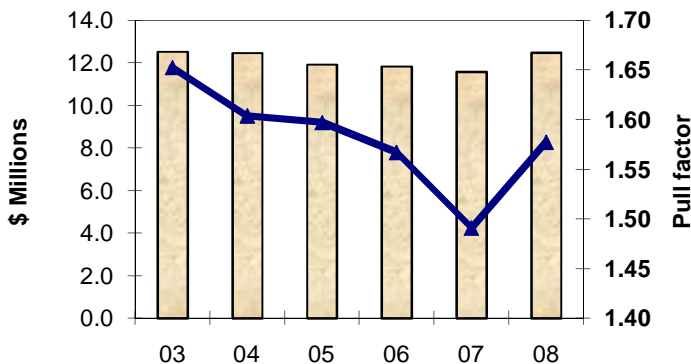
Building Materials



12.6% of Fergus Falls's taxable sales in 2008
Sales per capita are \$1768

Stores in the Building Material and Garden Equipment and Supplies Dealers subsector retail new building material and garden equipment and supplies. This includes home improvement centers and stores that sell paint, wallpaper, ceramic tile, fencing, windows, roofing, siding, hardware, and plumbing.

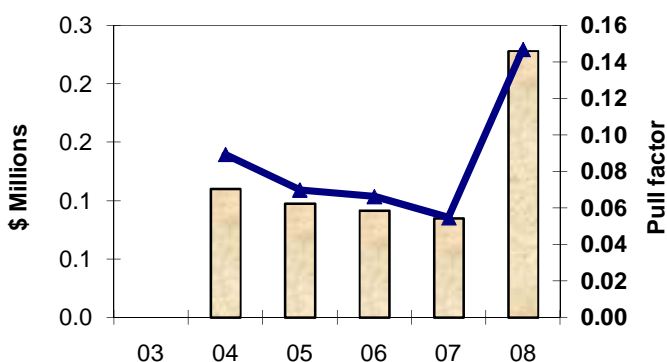
Groceries & Beverage Stores



6.5% of Fergus Falls's taxable sales in 2008
Sales per capita are \$916

Stores in the Food and Beverage Stores subsector usually retail food and beverages merchandise from fixed point-of-sale locations. This can include grocery stores, liquor stores, bakeries, candy shops, butcher stores, meat markets, and produce markets.

Health, Pharmacy, Optical



0.1% of Fergus Falls's taxable sales in 2008
Sales per capita are \$17

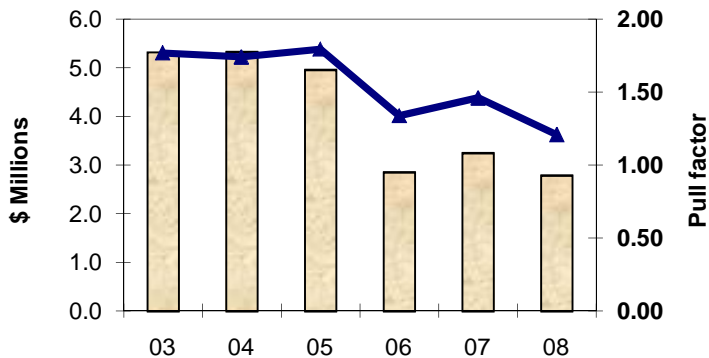
Stores in the Health and Personal Care Stores subsector retail health and personal care merchandise from fixed point-of-sale locations. This includes drug stores, health supplement stores, hearing aid stores, optical goods stores, cosmetic stores, medical supply stores,

Recent Trends By Merchandise Category

Fergus Falls



Gas/Convenience Stores



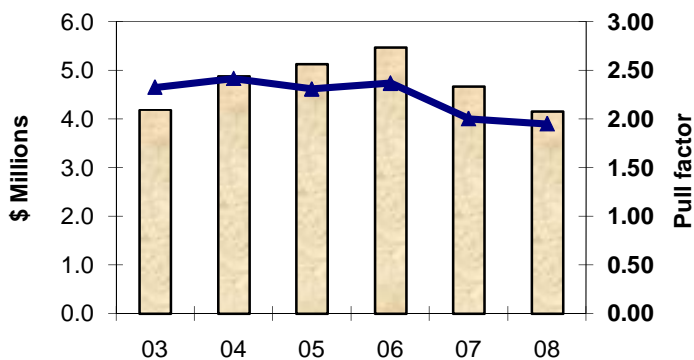
This page looks at several merchandise categories to chart the five-year trend in taxable sales and pull factor.

1.5% of Fergus Falls's taxable sales in 2008

Sales per capita are \$204

Stores in the Gasoline Stations subsector group establishments retailing automotive fuels (e.g., gasoline, diesel fuel, gasohol) and automotive oils and retailing these products in combination with convenience store items. This can include truck stops, C stores, marine service stations, and ordinary gas stations that sell automotive supplies.

Clothing & Accessories

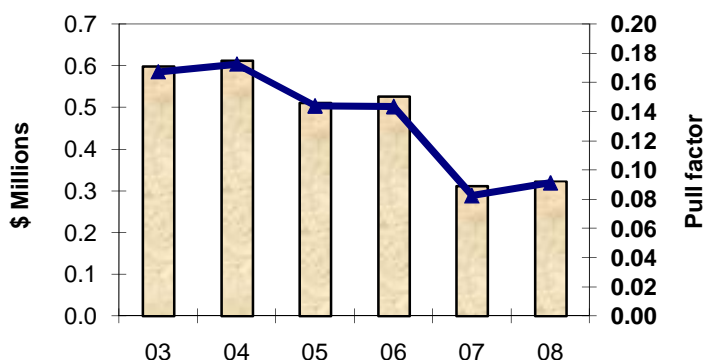


2.2% of Fergus Falls's taxable sales in 2008

Sales per capita are \$305

Stores in the Clothing and Clothing Accessories Stores subsector retailing new clothing and clothing accessories. Besides clothing stores it includes shops that sell jewelry, shoes, luggage, handbags, wigs, ties, bridal gowns, furs, uniforms, T-shirts, baby clothing, swimsuits, and lingerie.

Sporting Goods/Hobbies



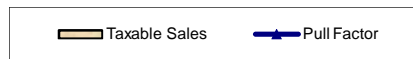
0.2% of Fergus Falls's taxable sales in 2008

Sales per capita are \$24

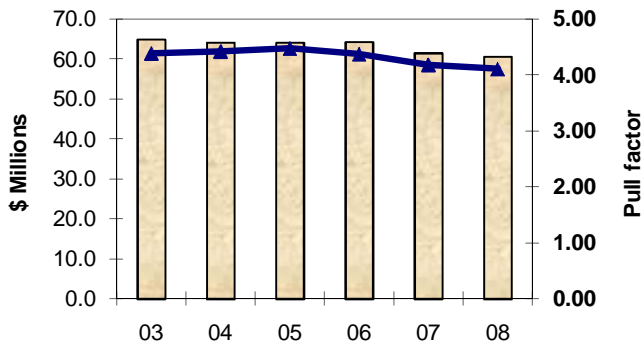
Stores in the Sporting Goods, Hobby, Book, and Music Stores subsector are engaged in retailing and providing expertise on use of sporting equipment or other specific leisure activities, such as needlework and musical instruments. Newstands also fit in this subsector.

Recent Trends By Merchandise Category

Fergus Falls



General Merchandise Stores

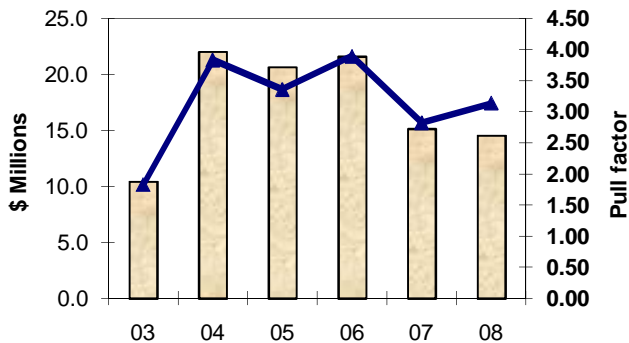


This page looks at several merchandise categories to chart the five-year trend in taxable sales and pull factor.

31.6% of Fergus Falls's taxable sales in 2008
Sales per capita are \$4443

Stores in the General Merchandise subsector retail new general merchandise and are unique in that they have the equipment and staff capable of retailing a large variety of goods from a single location. This includes department stores, superstores, dollar stores, and variety stores.

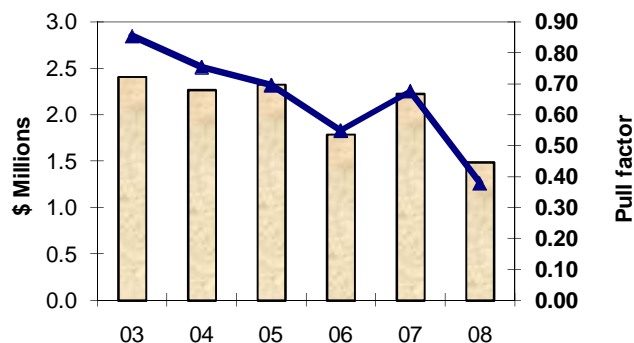
Miscellaneous & Previously Unreported



7.6% of Fergus Falls's taxable sales in 2008
Sales per capita are \$1068

Establishments such as florists, used merchandise stores, and pet and pet supply stores as well as other store retailers. Also, if a community had fewer than 4 stores in a previous sector, it was included in this category. This may cause unrealistically high Pull Factors.

Non-Store Retail



1.1% of Fergus Falls's taxable sales in 2008
Sales per capita are \$109

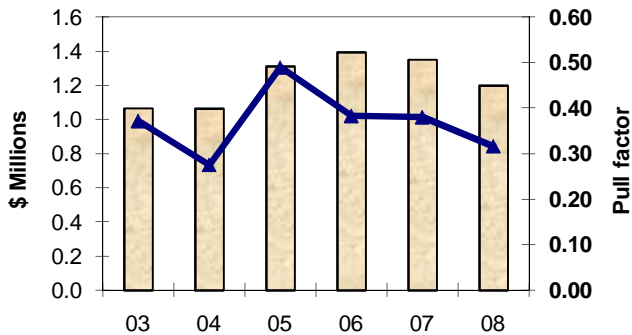
Mail-order houses, vending machine operators, home delivery sales, door-to-door sales, party plan sales, electronic shopping, and sales through portable stands (except food). Establishments engage in direct sale (nonstore) of products, such as home heating oil dealers and newspaper delivery are included in this subsector.

Recent Trends By Merchandise Category

Fergus Falls



Amusement



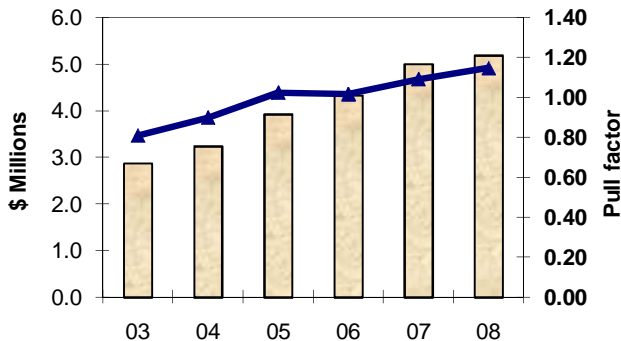
This page looks at several merchandise or service categories to chart the five-year trend in taxable sales and pull factor.

0.6% of Fergus Falls's taxable sales in 2008

Pull Factor 1.00 is \$278 sales per capita

Establishments include casinos, bowling lanes, water parks, amusement parks, arcades, bingo halls, golf courses, ski slopes, marinas, dance or fitness centers, recreational clubs, ice rinks, swimming pools, roller rinks, and the like.

Accommodations

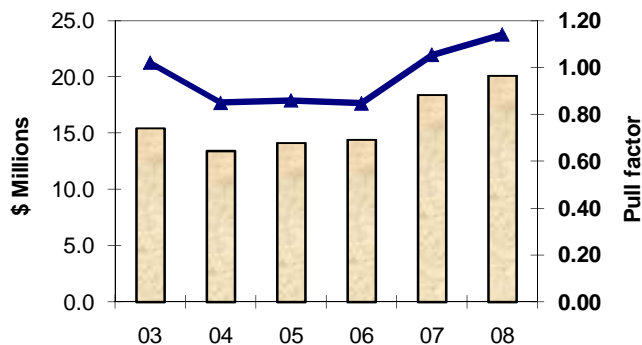


2.7% of Fergus Falls's taxable sales in 2008

Sales per capita are \$381

These businesses provide provide lodging or short-term accommodations for travelers, vacationers, and others. Included are hotels, motels, lodges, bed & breakfasts, campgrounds, fraternities, boarding houses, and dormitories.

Eating & Drinking



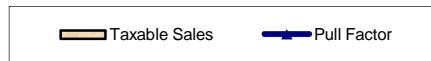
10.5% of Fergus Falls's taxable sales in 2008

Sales per capita are \$1475

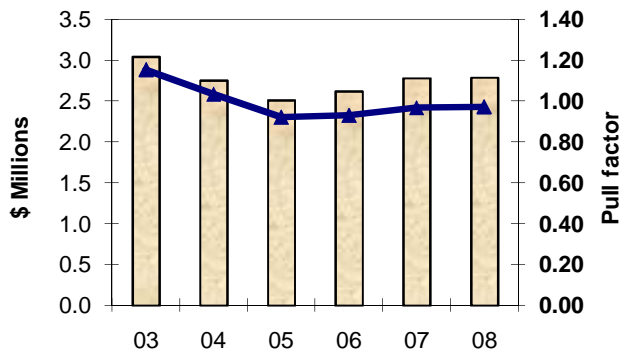
These businesses sell food at full-service or limited-service establishments. It includes cafeterias, bagel shops, ice cream parlors, snack bars, food service contractors, caterers, lunch wagons, and street vendors. It also includes bars, taverns, and nightclubs.

Recent Trends By Merchandise Category

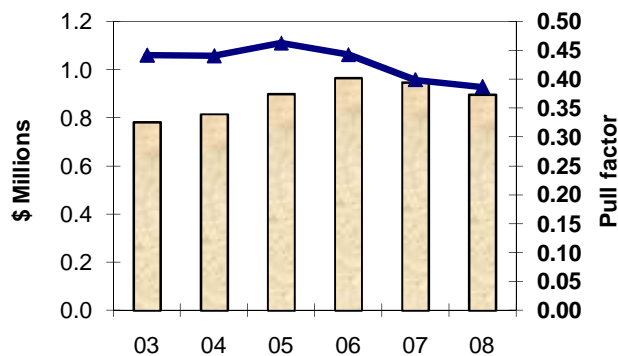
Fergus Falls



Repair Businesses



Personal Service Providers



This page looks at several categories to chart the five-year trend in taxable sales and pull factor.

1.5% of Fergus Falls's taxable sales in 2008

Pull Factor 1.00 is \$210 sales per capita

*The Repair and Maintenance subsector restore machinery, equipment, and other products to working order. It does **not** include plumbers & electricitians. It does include repairs to autos, cameras, radio, television, computers, copiers, appliances, lawn mowers, specialized equipment, small engines, furnitures, shoes, guns, etc.*

0.5% of Fergus Falls's taxable sales in 2008

Pull Factor 1.00 is \$170 sales per capita

Services performed include: personal care services; barber shops & beauty parlors; death care services; laundry and drycleaning services; and a wide range of other personal services, such as pet care (except veterinary) services, photofinishing services, temporary parking services, and dating services.

Historical Trends By Merchandise Category

Fergus Falls

The following tables and charts depict pull factors in Fergus Falls from 1990 to 2000* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

Category Descriptions

Building Materials: Includes retail establishments primarily engaged in selling lumber and other building materials; paint, glass, and wallpaper; hardware; nursery stock; and lawn and garden supplies.

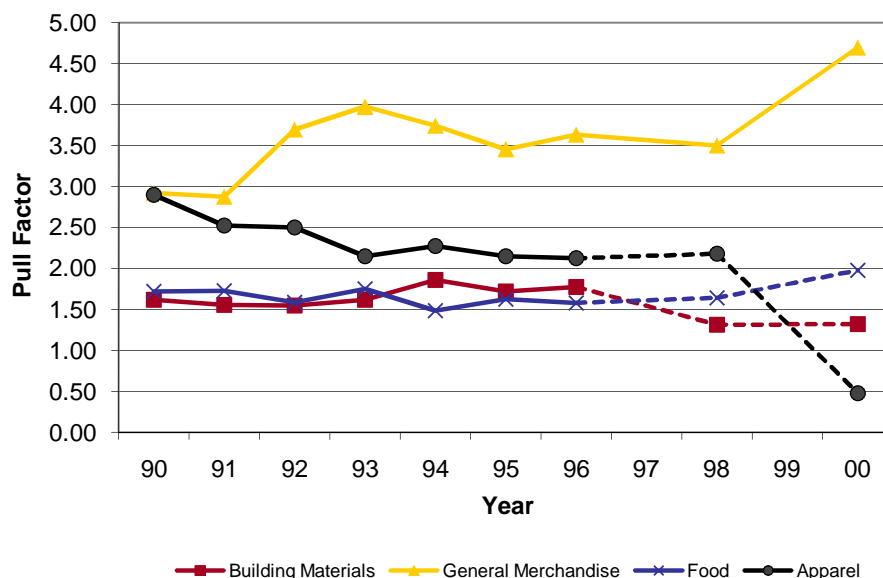
General Merchandise: Includes retail stores which sell a number of lines of merchandise, such as dry goods, apparel and accessories, furniture and home furnishings, small wares, hardware, and food. The stores included in this group are known as department stores, variety stores, general merchandise stores, catalog showrooms, warehouse clubs, and general stores.

Food: This group is comprised of retail stores primarily engaged in selling food for home preparation and consumption.

Apparel: Retail stores primarily engaged in selling clothing of all kinds and related articles for personal wear and adornment. Not included are establishments which meet the criteria for Department Stores even though most of their receipts are from the sale of apparel and apparel accessories.

*Due to a change in how firms are categorized beginning with fiscal year 2003, only data through fiscal year 2000 are presented in this section.

Pull Factors by Merchandise Category (1 of 3)



**Pull Factors by Merchandise Category
Fergus Falls, 1990-2000**

Year	Building Materials	General Merchandise	Food	Apparel
1990	1.62	2.92	1.72	2.90
1991	1.55	2.88	1.73	2.52
1992	1.55	3.70	1.59	2.50
1993	1.62	3.97	1.75	2.15
1994	1.86	3.74	1.49	2.27
1995	1.72	3.45	1.63	2.15
1996	1.77	3.63	1.58	2.12
1997	NA	NA	NA	NA
1998	1.31	3.50	1.64	2.18
1999	NA	NA	NA	NA
2000	1.32	4.69	1.97	0.48
% Change, '90 to '00	-18.73%	60.78%	14.98%	-83.43%
% Change, '98 to '00	0.29%	34.13%	20.15%	-77.92%

These pull factors are calculated using taxable sales. Although taxable sales do not capture the full extent of sales in stores with a large number of un-taxed goods, like grocery and apparel stores, these data are audited by the Minnesota Department of Revenue. Since sales tax laws apply statewide, all cities are compared on the same basis.

Historical Trends By Merchandise Category

Fergus Falls

The following tables and charts depict pull factors in Fergus Falls from 1990 to 2000* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

Category Descriptions

Furniture: This group includes retail stores selling goods used for furnishing the home such as furniture, floor coverings, draperies, glass and chinaware, domestic stoves, refrigerators, and other household electric and gas appliances.

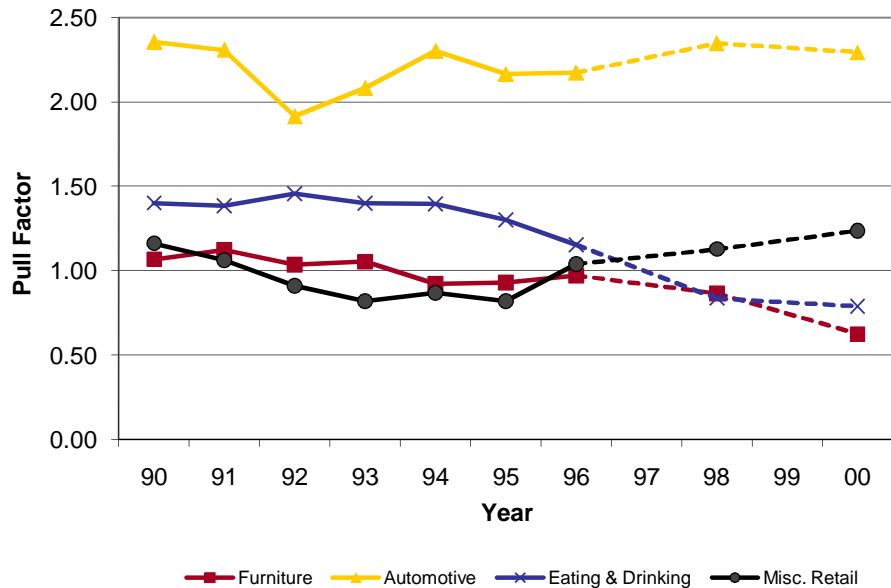
Automotive: Establishments selling new and used automobiles, boats, recreational vehicles and utility trailers, and motorcycles and mopeds; dealers selling new automobile parts and accessories; and gasoline service stations.

Eating & Drinking: This major group includes retail establishments engaged in selling prepared food and drinks for consumption on the premises. Also included are caterers which serve prepared food other than at the place of business and lunch counters and refreshment stands selling prepared foods and drinks for immediate consumption.

Miscellaneous Retail: This category includes retail establishments not elsewhere classified. These establishments fall into the following categories: liquor stores; used merchandise stores; miscellaneous shopping goods stores; nonstore retailers, fuel dealers, florists, cigar stores and stands, news dealers and newsstands, and miscellaneous retail stores not elsewhere classified.

*Due to a change in how firms are categorized beginning with fiscal year 2003, only data through fiscal year 2000 are presented in this section.

Pull Factors by Merchandise Category (2 of 3)



Pull Factors by Merchandise Category
Fergus Falls, 1990-2000

Year	Furniture	Automotive	Eating & Drinking	Misc. Retail
1990	1.07	2.36	1.40	1.16
1991	1.12	2.31	1.38	1.06
1992	1.04	1.91	1.46	0.91
1993	1.05	2.08	1.40	0.82
1994	0.92	2.30	1.40	0.87
1995	0.93	2.16	1.30	0.82
1996	0.97	2.17	1.15	1.04
1997	NA	NA	NA	NA
1998	0.86	2.35	0.84	1.13
1999	NA	NA	NA	NA
2000	0.62	2.29	0.79	1.24
% Change, '90 to '00	-41.48%	-2.63%	-43.63%	6.47%
% Change, '98 to '00	-27.67%	-2.23%	-5.57%	9.65%

These pull factors are calculated using taxable sales. Although taxable sales do not capture the full extent of sales in stores with a large number of un-taxed goods, like grocery and apparel stores, these data are audited by the Minnesota Department of Revenue. Since sales tax laws apply statewide, all cities are compared on the same basis.

Historical Trends By Merchandise Category

Fergus Falls

The following tables and charts depict pull factors in Fergus Falls from 1990 to 2000* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

Category Descriptions

Lodging: Includes establishments engaged in providing lodging, or lodging and meals, and camping facilities.

Personal Services: includes establishments primarily engaged in providing services generally to individuals, such as barber and beauty shops, drycleaning plants, laundries, and photographic studios.

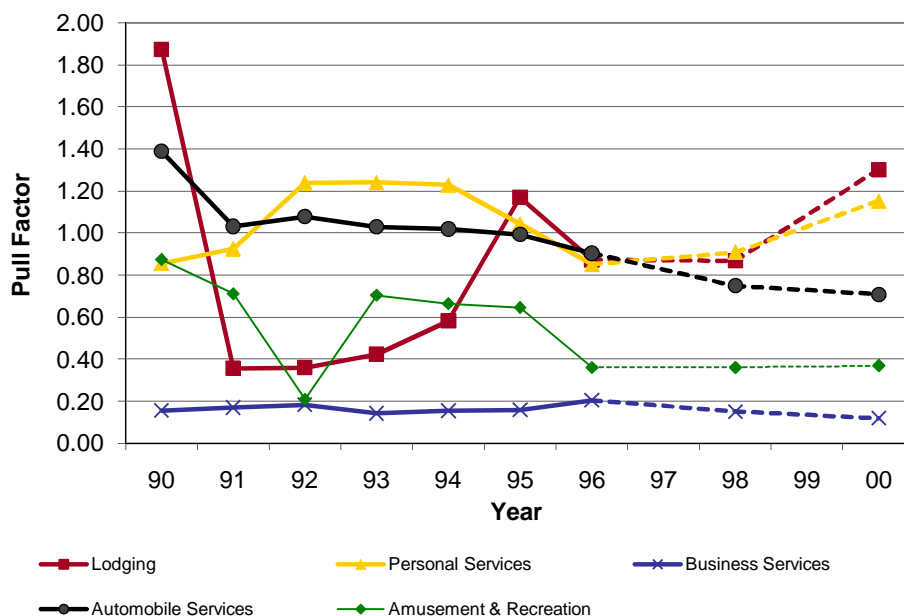
Business Services: Includes establishments primarily engaged in providing services, not elsewhere classified, to business establishments on a contract or fee basis.

Automobile Services: Includes establishments primarily engaged in furnishing automotive repair, rental, leasing, parking, and other services.

Amusement and Recreation: This group includes establishments primarily engaged in providing amusement, recreation, or entertainment services, not elsewhere classified.

*Due to a change in how firms are categorized beginning with fiscal year 2003, only data through fiscal year 2000 are presented in this section.

Pull Factors by Merchandise Category (3 of 3)



Pull Factors by Merchandise Category
Fergus Falls, 1990-2000

Year	Lodging	Personal Services	Business Services	Automobile Services	Amusement & Recreation
1990	1.87	0.86	0.16	1.39	0.87
1991	0.36	0.92	0.17	1.03	0.71
1992	0.36	1.24	0.18	1.08	0.21
1993	0.42	1.24	0.14	1.03	0.70
1994	0.58	1.23	0.15	1.02	0.66
1995	1.17	1.04	0.16	0.99	0.64
1996	0.87	0.85	0.20	0.90	0.36
1997	NA	NA	NA	NA	NA
1998	0.87	0.91	0.15	0.75	0.36
1999	NA	NA	NA	NA	NA
2000	1.30	1.15	0.12	0.71	0.37
% Change, '90 to '00	-30.56%	34.70%	-23.32%	-49.02%	-57.74%
% Change, '98 to '00	49.85%	27.16%	-20.76%	-5.46%	2.23%

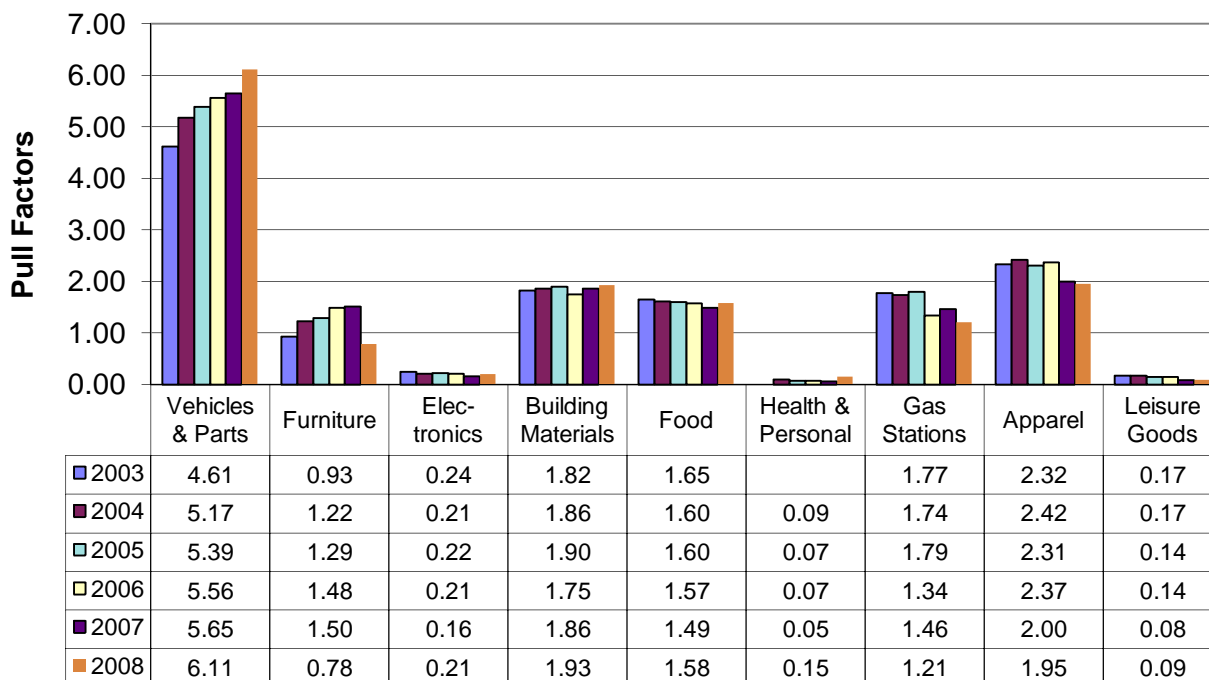
These pull factors are calculated using taxable sales. Although taxable sales do not capture the full extent of sales in stores with a large number of un-taxed goods, like grocery and apparel stores, these data are audited by the Minnesota Department of Revenue. Since sales tax laws apply statewide, all cities are compared on the same basis.

Recent Trends By Merchandise Category

Fergus Falls

The following tables and charts depict pull factors in Fergus Falls from 2003 to 2008* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

Pull Factor by NAICS Merchandise Category (1 of 2)



NAICS Category Descriptions

Motor Vehicles & Parts: Establishments that sell new & used autos, boats, motorcycles, golf carts, RV's, campers, trailers, tires, and parts.

Furniture: Stores that sell furniture, beds, carpeting, window coverings, lamps, china, kitchenware, & woodburning stoves.

Electronics: Establishments primarily engaged in retailing household-type appliances, sewing machines, cameras, computers, and other electronic goods.

Building Materials: Establishments that sell lumber, hardware, paint, wallpaper, tile, hardwood floors, roofing, fencing, ceiling fans, lawn equipment, garden centers, and feed stores.

Food: Grocery stores, deli's, bakery, & butcher shops that sell food to be prepared at home. Liquor stores.

Health & Personal: Pharmacies, food supplements, vision supplies, cosmetics, & hearing aid stores.

Gas Stations: Retailers that sell fuel along with convenience store items.

Apparel: New clothing and accessories, jewelry, shoes, bridal shops, clock shops, and luggage stores.

Leisure Goods: Sporting goods, books, music, hobby stores, fabric shops, and toy stores.

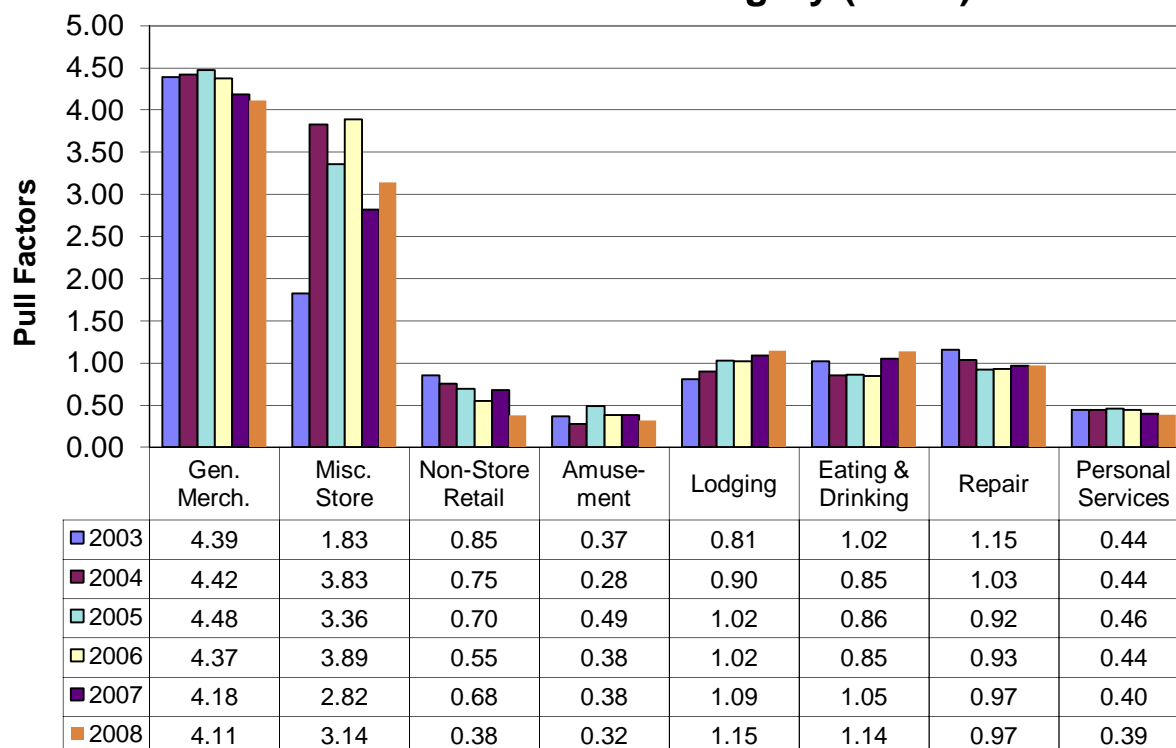
*Caution should be used when comparing pull factors before 2003 to those in later years due to the switch from SIC to NAICS.

Recent Trends By Merchandise Category

Fergus Falls

The following tables and charts depict pull factors in Fergus Falls from 2003 to 2008* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

**Pull Factor by NAICS
Merchandise Category (2 of 2)**



NAICS Category Descriptions

General Merchandise: Establishments that sell a mixed line of goods. Examples are department stores, supercenters, and dollar stores.

Miscellaneous Store Retailers: Stores not covered in other categories such as florists, office supplies, pets, antiques, tobacco, art, used merchandise, and trophies.

Non-Store Retail: Retailers that do not use stores. This includes mail order, internet selling, bazaars, vending machines, fuel oil dealers, firewood dealers, door-to-door sales, and produce stands.

Amusement: Establishments such as golf courses, bowling lanes, marinas, amusement parks, water parks, shooting ranges, pool halls, horseback riding, ballrooms, health club facilities, ski hills, and casinos.

Lodging: Seasonal resorts, hotels, boarding houses, bed & breakfast, campgrounds, RV parks.

Eating & Drinking: Restaurants, donut shops, coffee house, cafeteria, caterers, taverns, and nightclubs,

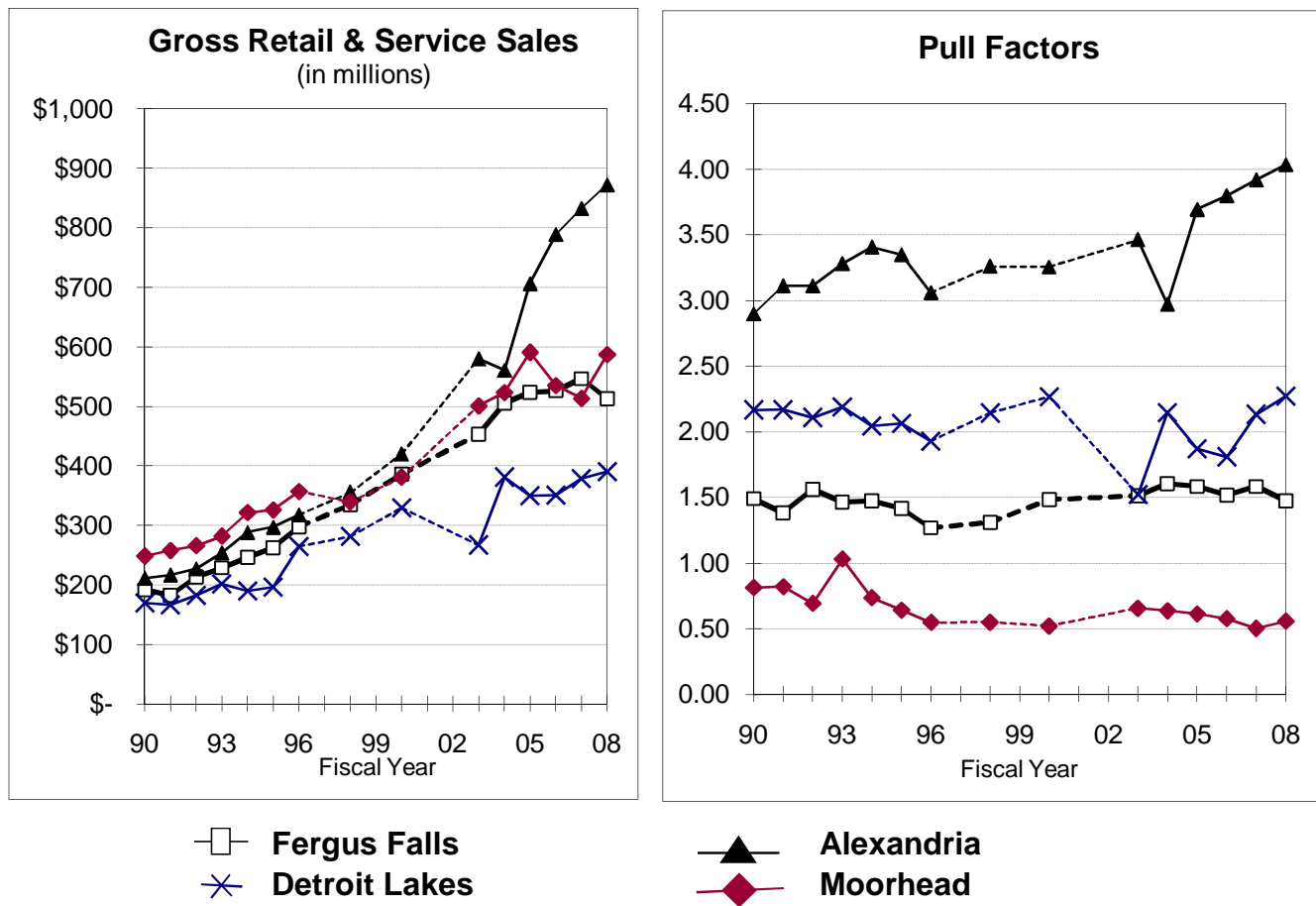
Repair: Businesses that return equipment to working order. Examples: cars, lawnmowers, small engines, knives, shoes, computers, furniture, and appliances.

Personal Services: Barbers, beauty salons, tanning facilities, funeral homes, laundromats, dry cleaners, pet groomers, kennels, and photo finishing.

*Caution should be used when comparing pull factors before 2003 to those in later years due to the switch from SIC to NAICS.

Comparison with Competing Centers

Fergus Falls



Information about competing trade centers can provide a useful means of comparison when assessing a community's retail trade sector. Comparison towns were selected based on geographic proximity, relative size and availability of data. Some caution is warranted in the interpretation of these comparisons however, since retail sales data is provided for only a limited number of towns and cities.

Comparison with Competing Trade Centers, 2008

Town	Population	Gross Sales (\$millions)	Taxable Sales (\$millions)	Number of Firms	Per Capita Taxable Sales	Pull Factor (Taxable Sales)
Fergus Falls	13,636	\$512.90	\$191.84	377	\$14,069	1.47
Alexandria	11,237	\$872.57	\$433.49	594	\$38,577	4.04
Detroit Lakes	8,141	\$390.62	\$176.78	348	\$21,715	2.27
Moorhead	36,012	\$587.10	\$191.48	528	\$5,317	0.56

Trade Area Analysis of Retail Sales

Fergus Falls

The following tables provide information on retail sales by merchandise category. "Expected sales" is a standard to which actual performance is compared. In calculating expected sales, population, income, and typical "pulling power" characteristics are taken into account. Expected sales can be used as a guideline or "par value" in analyzing retail strength.

Deviations from these norms can be analyzed to first judge whether they should be considered relevant. If the differences appear to be significant (whether in dollar amounts or relatively with percentages), additional consideration is merited. Categories with undesirable performance may be further examined for potential corrective action. It is also important to determine whether or not the situation is relatively uncontrollable due to external or extenuating circumstances. In cases of favorable differences from expectations, the positive aspects should be identified and built upon.

Trade Area Analysis by Merchandise Category, 2008

Merchandise Group	Variance Between Actual & Expected				Trade Area Pop. Gain or Loss	Number of Firms	Percent of Total Sales
	Expected Sales (\$millions)	Actual Sales (\$millions)	In Dollars (millions)	As % of Expected			
Vehicles & Parts	\$8.08	\$31.33	+\$23.25	+287.8%	39,239	16	16.3%
Furniture Stores	\$1.92	\$4.02	+\$2.10	+109.6%	14,946	11	2.1%
Electronics	\$5.20	\$1.00	-\$4.20	-80.7%	-11,011	8	0.5%
Building Materials	\$14.49	\$24.11	+\$9.62	+66.4%	9,050	11	12.6%
Food, Groceries	\$7.36	\$12.49	+\$5.13	+69.8%	9,515	11	6.5%
Health, Personal Stores	\$1.67	\$0.23	-\$1.44	-86.4%	-11,775	6	0.1%
Gasoline Stations	\$1.92	\$2.79	+\$0.87	+45.2%	6,169	9	1.5%
Apparel	\$1.01	\$4.16	+\$3.14	+310.0%	42,271	10	2.2%
Leisure Goods	\$1.18	\$0.32	-\$0.86	-72.7%	-9,911	11	0.2%
General Merchandise Stores	\$35.85	\$60.58	+\$24.73	+69.0%	9,407	12	31.6%
Miscellaneous Retail	\$8.09	\$14.56	+\$6.47	+80.0%	10,908	43	7.6%
Amusement & Recreation	\$2.16	\$1.20	-\$0.96	-44.6%	-6,079	9	0.6%
Accommodations	\$4.07	\$5.19	+\$1.12	+27.5%	3,755	7	2.7%
Eating & Drinking Places	\$12.47	\$20.11	+\$7.64	+61.3%	8,356	46	10.5%
Repair, Maintenance	\$2.26	\$2.79	+\$0.53	+23.4%	3,191	29	1.5%
Personal Services, Laundry	+\$0.68	+\$0.90	+\$0.21	+31.3%	4,269	33	0.5%
Total Taxable Retail & Service	\$87.25	\$191.84	+\$104.58	+119.9%	16,344	377	100.0%

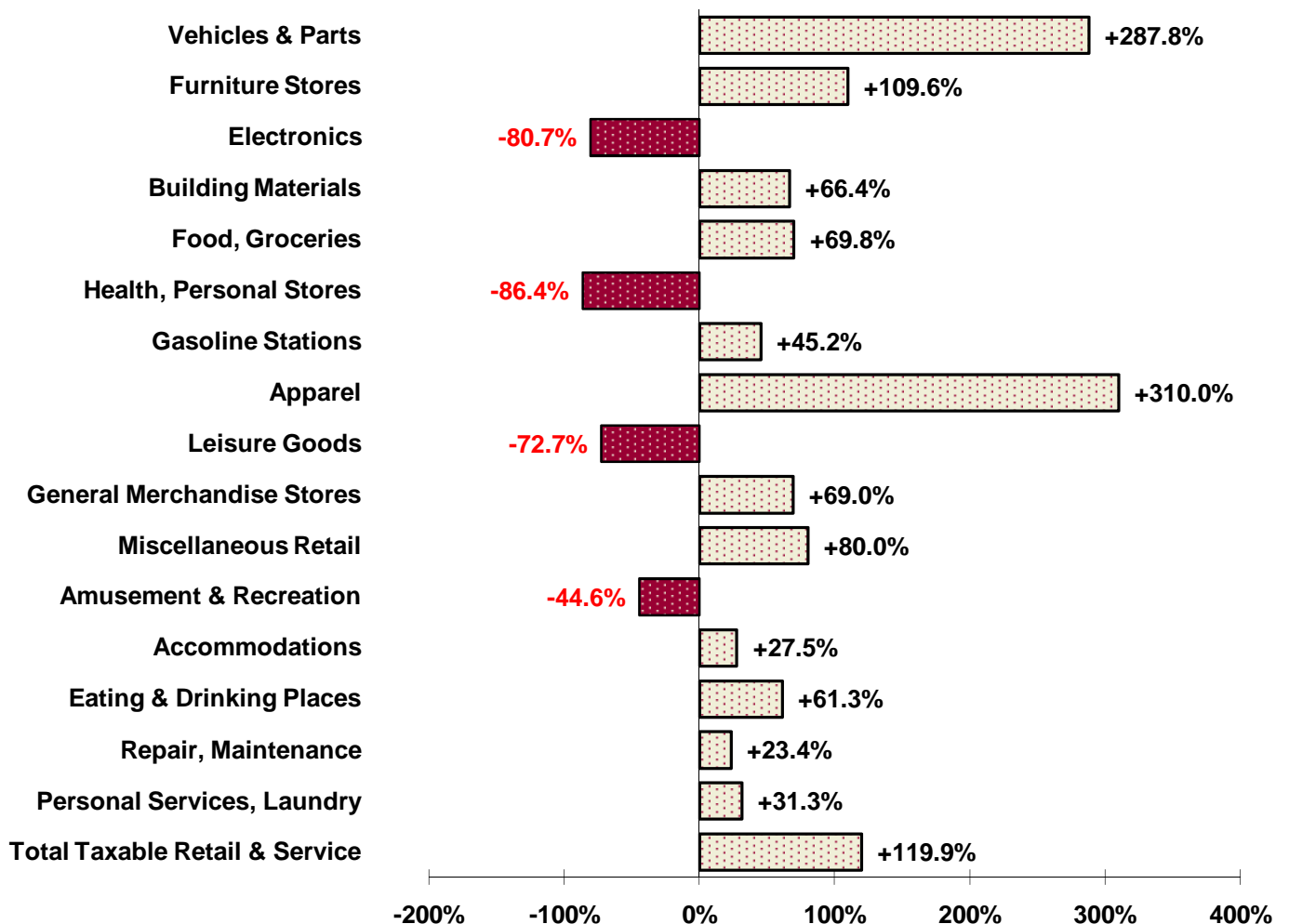
*All retail and service categories are included in Total Sales, including some categories not shown. Therefore, the merchandise groups shown here generally will not sum to Total Sales.

Summary of Fergus Falls Retail Trade

The chart below depicts the percentage amount Fergus Falls's actual sales were above or below expected sales in 2008 by merchandise group. Of the 16 merchandise categories with reported data, sales in 12 of the categories were above what would be expected based on the performance in similar-sized Minnesota towns. The strongest merchandise group by this standard is the Apparel category, which has a 310 percent surplus. Overall, Fergus Falls had a retail sales surplus of 119.9 percent in 2008.

It is important to note that variations in a town's relative retail performance may occur for a variety of reasons, some of which are beyond the control of local policy. Proximity to larger population centers, management, marketing, and transportation patterns are just a few factors that can cause the retail sales of a particular city to deviate substantially from expected sales. It is important that decision-makers consider these influences when constructing policies, plans, or projects.

Percentage Above or Below Expected Sales, 2008



Comparison of Pull Factors by Merchandise Category

2008 Index of "Pulling Power" Towns with Populations between 10,900 & 16,400 (Range: Population of Fergus Falls +/- ~ 20%.) (27 Cities)

Pull Factors

Town	Population	Vehicles, Parts	Furniture Stores	Elec- tronics	Building Materials	Food	Health, Personal	Gasoline Stations	Apparel	Leisure Goods	General Merch.	Misc.	Amuse- ment	Lodging	Eating & Drinking	Repair, Maint.	Personal Services	Taxable \$ Pull Factor
Town name																		
Hibbing	16,209	0.60	0.37	0.12	1.98	0.89	0.96	2.42	0.15	1.28	2.24	0.69	0.29		0.98	0.96	0.26	0.90
Red Wing	15,687	1.63	0.73	0.12	2.10	1.37	0.23	0.79	0.43	0.61	2.84	1.56	0.31	1.52	1.20	1.36	1.00	1.16
St Michael	15,278		0.16		1.50	0.78		0.96	0.07	0.28		3.29	0.69		0.38	0.34	0.05	0.53
Ham Lake	15,020	4.13	0.08		0.31	0.60		0.89		0.00		0.43	1.12		0.56	1.60	0.17	0.47
Buffalo	14,222	1.30	0.05	0.03	2.69	1.11		0.89	0.46	0.44	3.52	0.82	0.38		1.08	1.07	1.27	1.17
Sartell	13,915					1.43		0.55				1.74	1.26		0.57	0.34	0.15	0.30
Hutchinson	13,913	0.66	1.07	1.41	2.75	1.60	0.75	1.66	0.36	0.33	3.72	0.95	0.76		1.17	0.65	0.42	1.27
Otsego	13,874		0.00						0.08			2.94		0.99	0.47	0.61	0.07	0.24
Brainerd	13,691	2.33	0.27	0.52	0.46	1.52	3.41	1.74	3.06	0.79	0.16	1.64	0.31	1.03	1.52	0.77	0.66	0.88
Fergus Falls	13,636	6.11	1.08	0.21	1.93	1.58	0.15	1.21	1.95	0.09	4.11	3.14	0.32	1.15	1.14	0.97	0.39	1.47
Bemidji	13,541	1.94	1.59	1.17	3.71	1.71	2.52	2.24	3.14	2.27	2.84	3.45	0.95	2.06	2.10	3.00	0.44	1.92
Robbinsdale	13,518		0.04		0.17	1.86	2.48	0.51	0.28	1.01		0.63			0.44	0.40	0.72	0.33
Hugo	13,139		0.02			0.76			0.01			1.04			0.22	0.55	0.14	0.16
New Ulm	13,048	0.90	3.00	0.33	1.57	2.00		0.58	1.10	0.56	2.21	0.93	0.56	0.95	1.00	0.96	0.26	1.03
Marshall	12,647	1.86	0.97	0.68	1.95	1.96	0.33	1.20	0.81	0.93	3.31	2.17	0.67	1.04	1.45	1.41	0.25	1.97
North Mankato	12,530	0.60			0.65	0.88		0.47	0.05	0.05		1.06	1.26		0.46	0.87	0.25	0.36
Vadnais Heights	12,506	5.92	0.45			1.24		0.53	0.10	0.31		19.14			0.91	1.53	0.56	1.32
Sauk Rapids	12,013	1.51						0.82	0.13	0.01		4.09			0.61	0.58	0.30	0.37
Mounds View	12,005			0.82		0.59	1.94	1.14		0.16		2.41			0.98	0.65	0.46	0.39
East Bethel	11,895	1.08			0.03	0.50		0.85				0.09	0.25		0.28	0.93	0.04	0.20
Unadjusted Average: *		2.27	0.66	0.51	1.67	1.33	1.35	1.09	0.76	0.60	2.77	2.76	0.68	1.25	0.90	1.00	0.41	0.88

* Raw averages; not adjusted for special circumstances. For example, in cities with a college student population that is large relative to overall population, these pull factors may understate the relative strength of the retail sector. While college students are counted as part of the city population, in general they spend less than other city residents in many retail categories. Outliers were considered for calculating typical pull factors used in the expected sales formula.

Comparison of Pull Factors by Merchandise Category

2008 Index of "Pulling Power" Towns with Populations between 10,900 & 16,400 (Range: Population of Fergus Falls +/- ~ 20%.) (27 Cities)

Rankings

Town	Population	Vehicles, Parts	Furniture Stores	Elec- tronics	Building Materials	Food	Health, Personal	Gasoline Stations	Apparel	Leisure Goods	General Merch.	Misc.	Amuse- ment	Lodging	Eating & Drinking	Repair, Maint.	Personal Services	Taxable \$ Pull Factor
Town name																		
Hibbing	# 1	# 14	# 8	# 9	# 5	# 12	# 5	# 1	# 10	# 2	# 7	# 17	# 13		# 10	# 9	# 12	# 9
Red Wing	# 2	# 7	# 6	# 8	# 4	# 9	# 8	# 13	# 7	# 6	# 6	# 11	# 11	# 2	# 4	# 5	# 2	# 7
St Michael	# 3		# 10		# 9	# 14		# 8	# 14	# 11		# 4	# 6		# 18	# 20	# 19	# 11
Ham Lake	# 4	# 3	# 11		# 12	# 16		# 9		# 16		# 19	# 3		# 14	# 2	# 15	# 12
Buffalo	# 5	# 9	# 12	# 10	# 3	# 11		# 10	# 6	# 8	# 3	# 16	# 9		# 7	# 6	# 1	# 6
Sartell	# 6					# 8		# 15				# 9	# 1		# 13	# 19	# 16	# 17
Hutchinson	# 7	# 12	# 4	# 1	# 2	# 5	# 6	# 4	# 8	# 9	# 2	# 14	# 5		# 5	# 14	# 8	# 5
Otsego	# 8		# 15						# 13			# 6		# 6	# 15	# 15	# 18	# 18
Brainerd	# 9	# 4	# 9	# 5	# 11	# 7	# 1	# 3	# 2	# 5	# 9	# 10	# 12	# 5	# 2	# 12	# 4	# 10
Fergus Falls	# 10	# 1	# 3	# 7	# 7	# 6	# 9	# 5	# 3	# 13	# 1	# 5	# 10	# 3	# 6	# 7	# 9	# 3
Bemidji	# 11	# 5	# 2	# 2	# 1	# 4	# 2	# 2	# 1	# 1	# 5	# 3	# 4	# 1	# 1	# 1	# 7	# 2
Robbinsdale	# 12		# 13		# 13	# 3	# 3	# 17	# 9	# 3		# 18			# 17	# 18	# 3	# 16
Hugo	# 13		# 14			# 15			# 16			# 13			# 20	# 17	# 17	# 20
New Ulm	# 14	# 11	# 1	# 6	# 8	# 1		# 14	# 4	# 7	# 8	# 15	# 8	# 7	# 8	# 8	# 11	# 8
Marshall	# 15	# 6	# 5	# 4	# 6	# 2	# 7	# 6	# 5	# 4	# 4	# 8	# 7	# 4	# 3	# 4	# 13	# 1
North Mankato	# 16	# 13			# 10	# 13		# 18	# 15	# 14		# 12	# 2		# 16	# 11	# 14	# 15
Vadnais Heights	# 17	# 2	# 7			# 10		# 16	# 12	# 10		# 1			# 11	# 3	# 5	# 4
Sauk Rapids	# 18	# 8						# 12	# 11	# 15		# 2			# 12	# 16	# 10	# 14
Mounds View	# 19			# 3		# 17	# 4	# 7		# 12		# 7			# 9	# 13	# 6	# 13
East Bethel	# 20	# 10			# 14	# 18		# 11				# 20	# 14		# 19	# 10	# 20	# 19

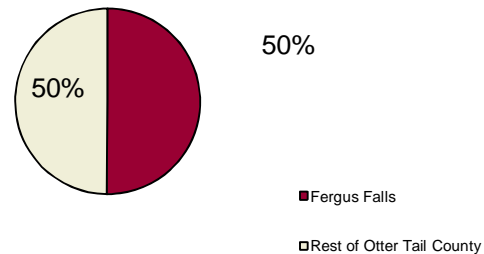
Above are all communities in the population range listed in the title with data available by merchandise category. Adjustments for special circumstances may be necessary for accurate comparisons.

Fergus Falls & Otter Tail County Comparison, 2008

It is important to review the retail performance for the whole county and not just the town, in isolation. For example, it is common for county seat towns to have above-average retail performance, while the county overall has a leakage of sales. This is usually because the county seat town doesn't have the critical mass of retail to attract the purchases of everyone in the county. By analyzing county data, town business people can develop strategies to recapture some of the sales being lost to other towns. For counties that have a local option sales tax, the analysis of county sales is extremely important, since lost sales are lost tax dollars. A thorough analysis of county sales can help county officials develop more meaningful economic development plans aimed at recapturing the lost sales.

The table below shows retail sales and number of firms by merchandise category for Fergus Falls and Otter Tail County in 2008. Fergus Falls accounted for 22 percent of the county's firms and 50 percent of the county's sales at the time.

Share of County Sales



Sales by Merchandise Category, Fergus Falls & Otter Tail County, 2008

Merchandise Category	Fergus Falls		Otter Tail County		City's Share of County Total	
	Taxable Sales (\$millions)	Number of Firms	Taxable Sales (\$millions)	Number of Firms	Sales	Firms
Vehicles & Parts	\$31.33	16	\$42.15	55	74.3%	29.1%
Furniture Stores	\$4.02	11	\$5.32	35	75.6%	31.4%
Electronics	\$1.00	8	\$1.37	14	73.2%	57.1%
Building Materials	\$24.11	11	\$51.63	58	46.7%	19.0%
Food, Groceries	\$12.49	11	\$26.79	56	46.6%	19.6%
Health, Personal Stores	\$0.23	6	\$2.13	18	10.7%	33.3%
Gasoline Stations	\$2.79	9	\$11.18	36	24.9%	25.0%
Apparel	\$4.16	10	\$5.00	32	83.2%	31.3%
Leisure Goods	\$0.32	11	\$3.22	47	10.0%	23.4%
General Merchandise	\$60.58	12	\$64.99	18	93.2%	66.7%
Miscellaneous Retail	\$14.56	43	\$21.31	222	68.3%	19.4%
Non-Store Retailers	\$1.49	14	\$2.65	71	56.1%	19.7%
Amusement & Recreation	\$1.20	9	\$6.89	33	17.4%	27.3%
Accommodations	\$5.19	7	\$11.63	108	44.6%	6.5%
Eating & Drinking Places	\$20.11	46	\$43.07	138	46.7%	33.3%
Repair, Maintenance	\$2.79	29	\$11.82	199	23.6%	14.6%
Personal Service, Laundry	\$0.90	33	\$2.75	124	32.6%	26.6%
Total Sales*	\$191.84	377	\$382.49	1,677	50.2%	22.5%

Otter Tail County Retail Trade Overview

Total Taxable and Gross Retail Sales

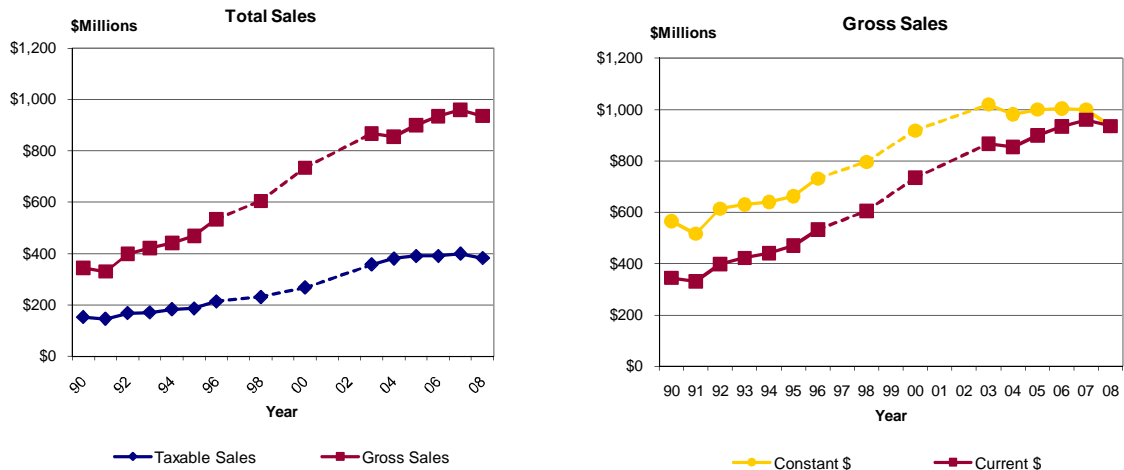
The table below presents gross and taxable retail and services sales for Otter Tail County from 1990 through 2008. Taxable sales in Otter Tail County increased 65.2 percent from 1998 to 2008, while the number of firms rose 6.3 percent. Statewide, taxable sales increased 51.5 percent over the same time period and the number of firms rose 11.3 percent. The per capita sales and pull factor data in this table are based on taxable sales, the more verified sales measure.

The table also presents sales data in constant 2008 dollars. These figures have been adjusted for inflation to reflect their value in 2008. For example, in 1990, taxable sales in Otter Tail County totaled \$152.2 million, an amount worth \$249.51 million in 2008 dollars. In constant dollars, gross sales grew 17.5 percent between 1996 and 2008. Constant dollar taxable sales increased 25.5 percent over the same time period.

Year	Estimated Population	Current Dollars		Constant 2008 Dollars		Number of Firms	Per Capita Sales	Pull Factor
		Gross Sales* (\$millions)	Taxable Sales (\$millions)	Gross Sales* (\$millions)	Taxable Sales (\$millions)			
1990	50,714	\$344.70	\$152.20	\$565.08	\$249.51	1,555	\$3,001	0.68
1991	51,158	\$330.63	\$146.23	\$516.61	\$228.49	1,577	\$2,858	0.65
1992	51,543	\$399.24	\$168.40	\$614.21	\$259.08	1,558	\$3,267	0.68
1993	51,950	\$422.39	\$170.65	\$630.43	\$254.70	1,559	\$3,285	0.65
1994	52,408	\$441.43	\$183.01	\$639.75	\$265.23	1,541	\$3,492	0.64
1995	52,935	\$469.87	\$186.55	\$661.79	\$262.74	1,480	\$3,524	0.62
1996	53,856	\$533.81	\$214.00	\$731.24	\$293.15	1,581	\$3,973	0.59
1997	54,347	NA	NA	NA	NA	NA	NA	NA
1998	54,794	\$605.11	\$231.55	\$796.20	\$304.67	1,577	\$4,226	0.61
1999	55,583	NA	NA	NA	NA	NA	NA	NA
2000	57,159	\$734.51	\$268.34	\$918.13	\$335.42	1,505	\$4,695	0.62
2001	57,494	NA	NA	NA	NA	NA	NA	NA
2002	58,039	NA	NA	NA	NA	NA	NA	NA
2003	58,847	\$866.99	\$357.87	\$1,019.99	\$421.02	1,637	\$6,081	0.68
2004	57,931	\$854.63	\$381.08	\$982.34	\$438.02	1,628	\$6,578	0.71
2005	57,658	\$900.13	\$390.79	\$1,000.15	\$434.21	1,670	\$6,778	0.71
2006	57,817	\$934.45	\$391.12	\$1,004.78	\$420.56	1,627	\$6,765	0.70
2007	57,031	\$960.29	\$399.60	\$1,000.31	\$416.25	1,696	\$7,007	0.72
2008	56,786	\$935.83	\$382.49	\$935.83	\$382.49	1,677	\$6,736	0.70
10 yr Change '98 to '08	3.6%	54.7%	65.2%	17.5%	25.5%	6.3%	59.4%	16.1%
3 yr Change '05 to '08	-1.5%	4.0%	-2.1%	-6.4%	-11.9%	0.4%	-0.6%	-1.0%

*Gross sales figures are self-reported by firms and not audited by the Dept. of Revenue for accuracy.

Otter Tail County: Total Retail Sales

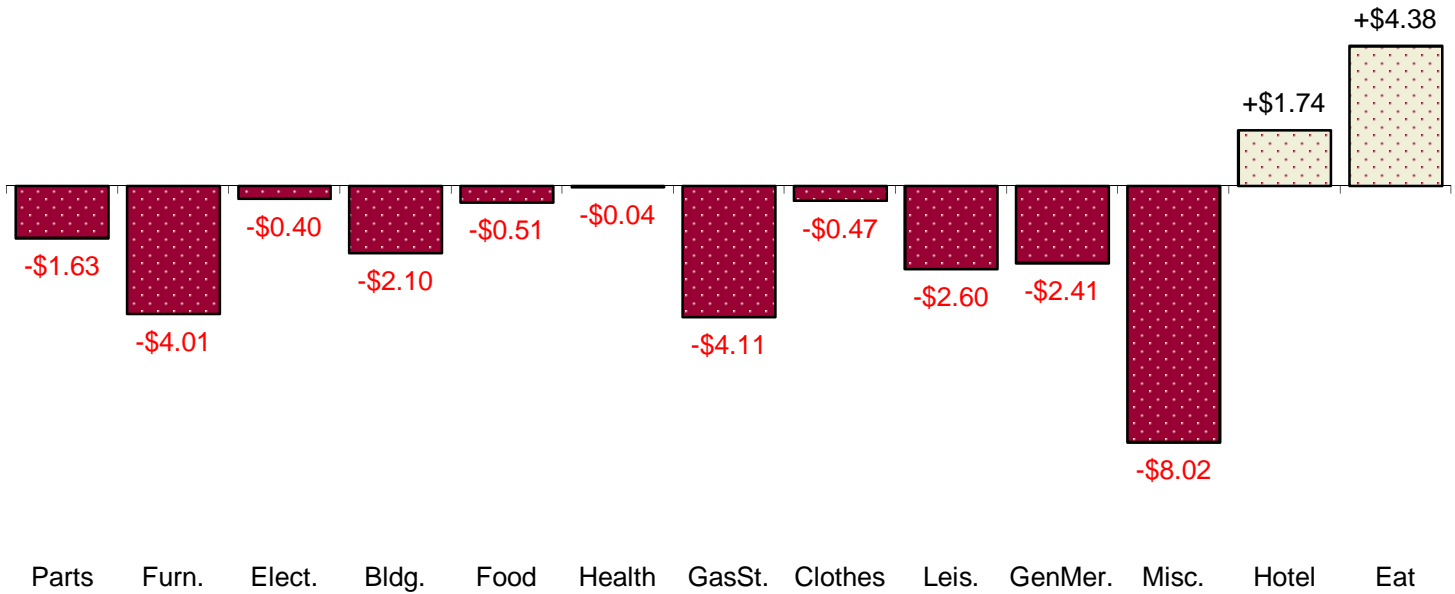


Otter Tail County Components of Change, 2005 to 2008

Category	Taxable Sales 2005	Taxable Sales 2008	Dollar Change	Percent Change
Vehicles & Parts	\$43,784,182	\$42,153,428	-\$1,630,754	-3.72%
Furniture Stores	\$9,333,664	\$5,320,292	-\$4,013,372	-43.00%
Electronics	\$1,772,389	\$1,367,917	-\$404,472	-22.82%
Building Materials	\$53,727,663	\$51,632,553	-\$2,095,110	-3.90%
Food, Groceries	\$27,300,506	\$26,788,098	-\$512,408	-1.88%
Health, Personal Stores	\$2,171,618	\$2,132,792	-\$38,826	-1.79%
Gasoline Stations	\$15,293,780	\$11,180,202	-\$4,113,578	-26.90%
Apparel	\$5,467,342	\$5,000,496	-\$466,846	-8.54%
Leisure Goods	\$5,819,238	\$3,217,012	-\$2,602,226	-44.72%
General Merchandise Stores	\$67,404,451	\$64,990,878	-\$2,413,573	-3.58%
Miscellaneous Retail	\$29,334,386	\$21,309,600	-\$8,024,786	-27.36%
Accommodations	\$9,883,884	\$11,625,008	+\$1,741,124	+17.62%
Eating & Drinking Places	\$38,683,983	\$43,067,217	+\$4,383,234	+11.33%
Total Retail and Services Sales	\$390,786,821	\$382,489,426	-\$8,297,395	-2.12%

Figures not adjusted for inflation.

Dollar Changes by Category (in Millions) 2005 - 2008



Pull Factors By Merchandise Category

Otter Tail County

The following tables and charts depict pull factors in Otter Tail County from 1990 to 2000* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

Category Descriptions

Building Materials: Includes retail establishments primarily engaged in selling lumber and other building materials; paint, glass, and wallpaper; hardware; nursery stock; and lawn and garden supplies.

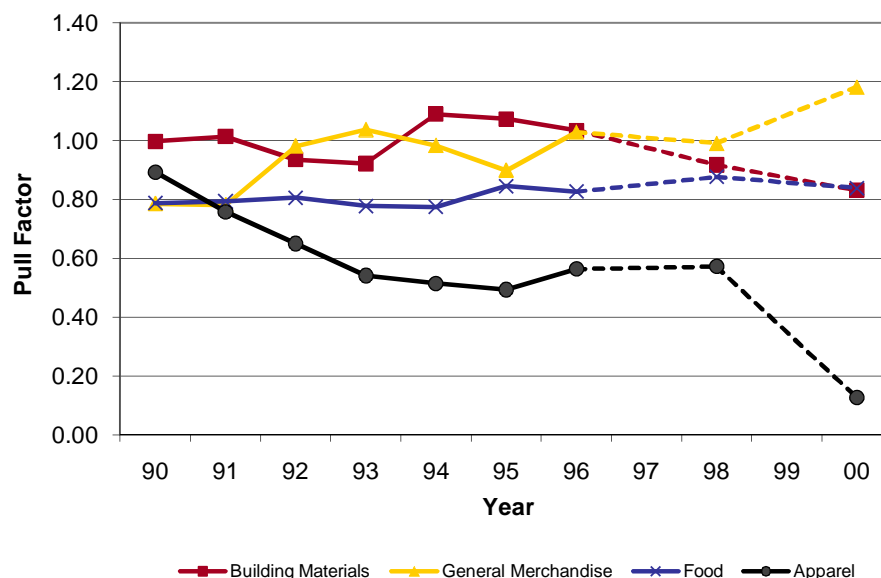
General Merchandise: Includes retail stores which sell a number of lines of merchandise, such as dry goods, apparel and accessories, furniture and home furnishings, small wares, hardware, and food. The stores included in this group are known as department stores, variety stores, general merchandise stores, catalog showrooms, warehouse clubs, and general stores.

Food: This group is comprised of retail stores primarily engaged in selling food for home preparation and consumption.

Apparel: Retail stores primarily engaged in selling clothing of all kinds and related articles for personal wear and adornment. Not included are establishments which meet the criteria for Department Stores even though most of their receipts are from the sale of apparel and apparel accessories.

*Due to a change in how firms are categorized beginning with fiscal year 2003, only data through fiscal year 2000 are presented in this section.

Pull Factors by Merchandise Category (1 of 3)



Pull Factors by Merchandise Category
Otter Tail County, 1990-2000

Year	Building Materials	General Merchandise	Food	Apparel
1990	1.00	0.79	0.79	0.89
1991	1.01	0.78	0.79	0.76
1992	0.94	0.98	0.81	0.65
1993	0.92	1.04	0.78	0.54
1994	1.09	0.98	0.77	0.51
1995	1.07	0.90	0.84	0.49
1996	1.03	1.03	0.83	0.56
1997	NA	NA	NA	NA
1998	0.92	0.99	0.88	0.57
1999	NA	NA	NA	NA
2000	0.83	1.18	0.84	0.13
% Change, '90 to '00	-16.72%	50.54%	6.43%	-85.90%
% Change, '98 to '00	-9.45%	19.33%	-4.37%	-78.00%

These pull factors are calculated using taxable sales. Although taxable sales do not capture the full extent of sales in stores with a large number of un-taxed goods, like grocery and apparel stores, these data are audited by the Minnesota Department of Revenue. Since sales tax laws apply statewide, all cities are compared on the same basis.

Pull Factors By Merchandise Category

Otter Tail County

The following tables and charts depict pull factors in Otter Tail County from 1990 to 2000* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

Category Descriptions

Furniture: This group includes retail stores selling goods used for furnishing the home such as furniture, floor coverings, draperies, glass and chinaware, domestic stoves, refrigerators, and other household electric and gas appliances.

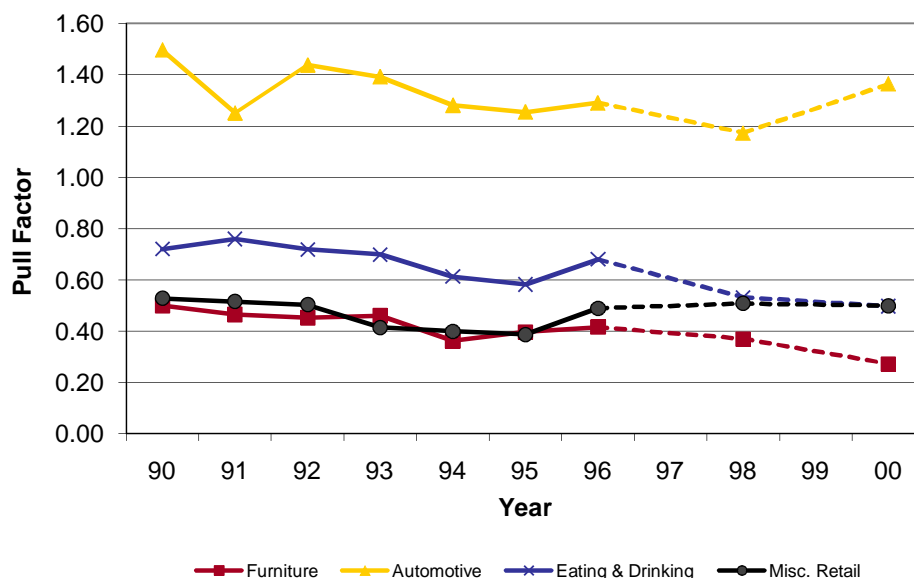
Automotive: Establishments selling new and used automobiles, boats, recreational vehicles and utility trailers, and motorcycles and mopeds; dealers selling new automobile parts and accessories; and gasoline service stations.

Eating & Drinking: This major group includes retail establishments engaged in selling prepared food and drinks for consumption on the premises. Also included are caterers which serve prepared food other than at the place of business and lunch counters and refreshment stands selling prepared foods and drinks for immediate consumption.

Miscellaneous Retail: This category includes retail establishments not elsewhere classified. These establishments fall into the following categories: liquor stores; used merchandise stores; miscellaneous shopping goods stores; nonstore retailers, fuel dealers, florists, cigar stores and stands, news dealers and newsstands, and miscellaneous retail stores not elsewhere classified.

*Due to a change in how firms are categorized beginning with fiscal year 2003, only data through fiscal year 2000 are presented in this section.

Pull Factors by Merchandise Category (2 of 3)



Pull Factors by Merchandise Category
Otter Tail County, 1990-2000

Year	Furniture	Automotive	Eating & Drinking	Misc. Retail
1990	0.50	1.50	0.72	0.53
1991	0.47	1.25	0.76	0.52
1992	0.45	1.44	0.72	0.50
1993	0.46	1.39	0.70	0.41
1994	0.36	1.28	0.61	0.40
1995	0.40	1.25	0.58	0.39
1996	0.42	1.29	0.68	0.49
1997	NA	NA	NA	NA
1998	0.37	1.17	0.53	0.51
1999	NA	NA	NA	NA
2000	0.27	1.36	0.50	0.50
% Change, '90 to '00	-45.48%	-8.77%	-30.99%	-5.42%
% Change, '98 to '00	-26.29%	16.29%	-6.42%	-1.69%

These pull factors are calculated using taxable sales. Although taxable sales do not capture the full extent of sales in stores with a large number of un-taxed goods, like grocery and apparel stores, these data are audited by the Minnesota Department of Revenue. Since sales tax laws apply statewide, all cities are compared on the same basis.

Pull Factors By Merchandise Category

Otter Tail County

The following tables and charts depict pull factors in Otter Tail County from 1990 to 2000* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

Category Descriptions

Lodging: Includes establishments engaged in providing lodging, or lodging and meals, and camping facilities.

Personal Services: includes establishments primarily engaged in providing services generally to individuals, such as barber and beauty shops, drycleaning plants, laundries, and photographic studios.

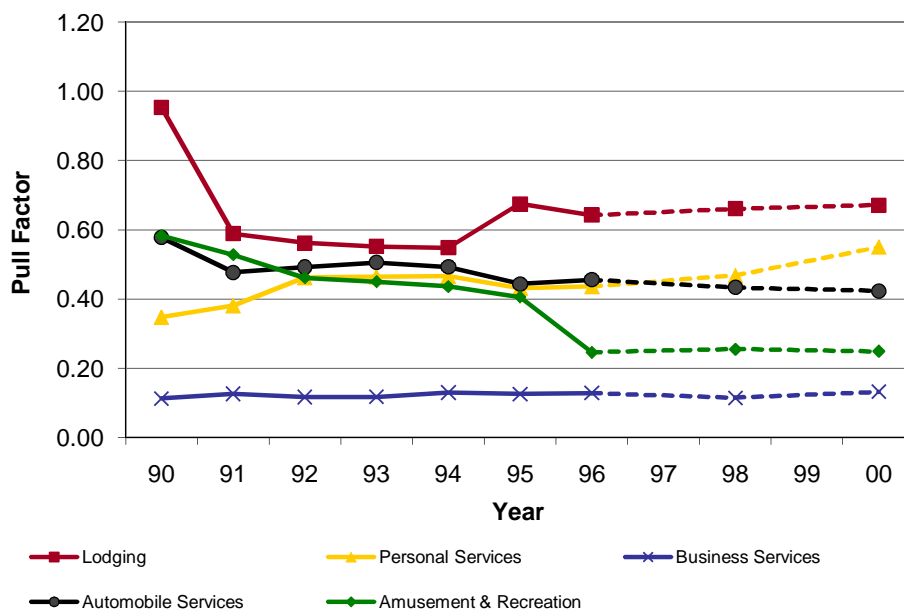
Business Services: Includes establishments primarily engaged in providing services, not elsewhere classified, to business establishments on a contract or fee basis.

Automobile Services: Includes establishments primarily engaged in furnishing automotive repair, rental, leasing, parking, and other services.

Amusement and Recreation: This group includes establishments primarily engaged in providing amusement, recreation, or entertainment services, not elsewhere classified.

*Due to a change in how firms are categorized beginning with fiscal year 2003, only data through fiscal year 2000 are presented in this section.

Pull Factors by Merchandise Category (3 of 3)



Pull Factors by Merchandise Category
Otter Tail County, 1990-2000

Year	Lodging	Personal Services	Business Services	Automobile Services	Amusement & Recreation
1990	0.95	0.35	0.11	0.58	0.58
1991	0.59	0.38	0.13	0.48	0.53
1992	0.56	0.46	0.12	0.49	0.46
1993	0.55	0.46	0.12	0.51	0.45
1994	0.55	0.47	0.13	0.49	0.44
1995	0.67	0.43	0.13	0.44	0.41
1996	0.64	0.44	0.13	0.46	0.25
1997	NA	NA	NA	NA	NA
1998	0.66	0.47	0.11	0.43	0.26
1999	NA	NA	NA	NA	NA
2000	0.67	0.55	0.13	0.42	0.25
% Change, '90 to '00	-29.63%	58.06%	17.86%	-26.72%	-57.30%
% Change, '98 to '00	1.47%	17.60%	15.92%	-2.40%	-2.54%

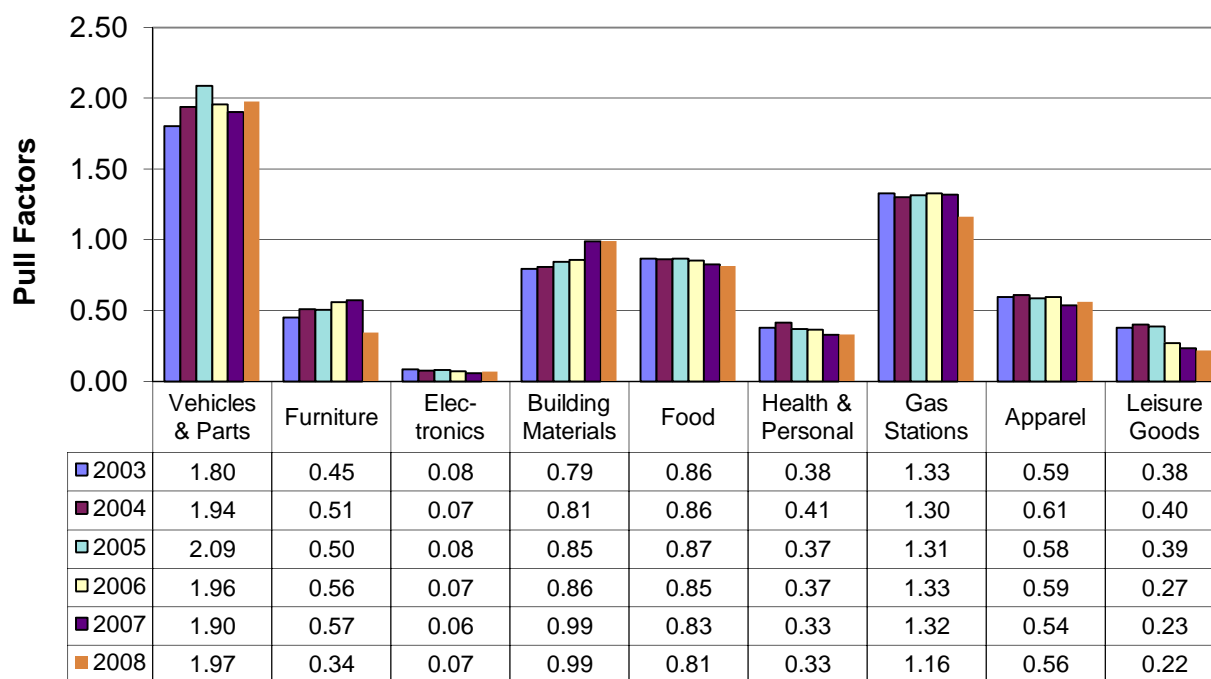
These pull factors are calculated using taxable sales. Although taxable sales do not capture the full extent of sales in stores with a large number of un-taxed goods, like grocery and apparel stores, these data are audited by the Minnesota Department of Revenue. Since sales tax laws apply statewide, all cities are compared on the same basis.

Pull Factors By Merchandise Category

Otter Tail County

The following tables and charts depict pull factors in Otter Tail County from 2003 to 2008* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

Pull Factor by NAICS Merchandise Category (1 of 2)



NAICS Category Descriptions

Motor Vehicles & Parts: Establishments that sell new & used autos, boats, motorcycles, golf carts, RV's, campers, trailers, tires, and parts.

Furniture: Stores that sell furniture, beds, carpeting, window coverings, lamps, china, kitchenware, & woodburning stoves.

Electronics: Establishments primarily engaged in retailing household-type appliances, sewing machines, cameras, computers, and other electronic goods.

Building Materials: Establishments that sell lumber, hardware, paint, wallpaper, tile, hardwood floors, roofing, fencing, ceiling fans, lawn equipment, garden centers, and feed stores.

Food: Grocery stores, deli's, bakery, & butcher shops that sell food to be prepared at home. Liquor stores.

Health & Personal: Pharmacies, food supplements, vision supplies, cosmetics, & hearing aid stores.

Gas Stations: Retailers that sell fuel along with convenience store items.

Apparel: New clothing and accessories, jewelry, shoes, bridal shops, clock shops, and luggage stores.

Leisure Goods: Sporting goods, books, music, hobby stores, fabric shops, and toy stores.

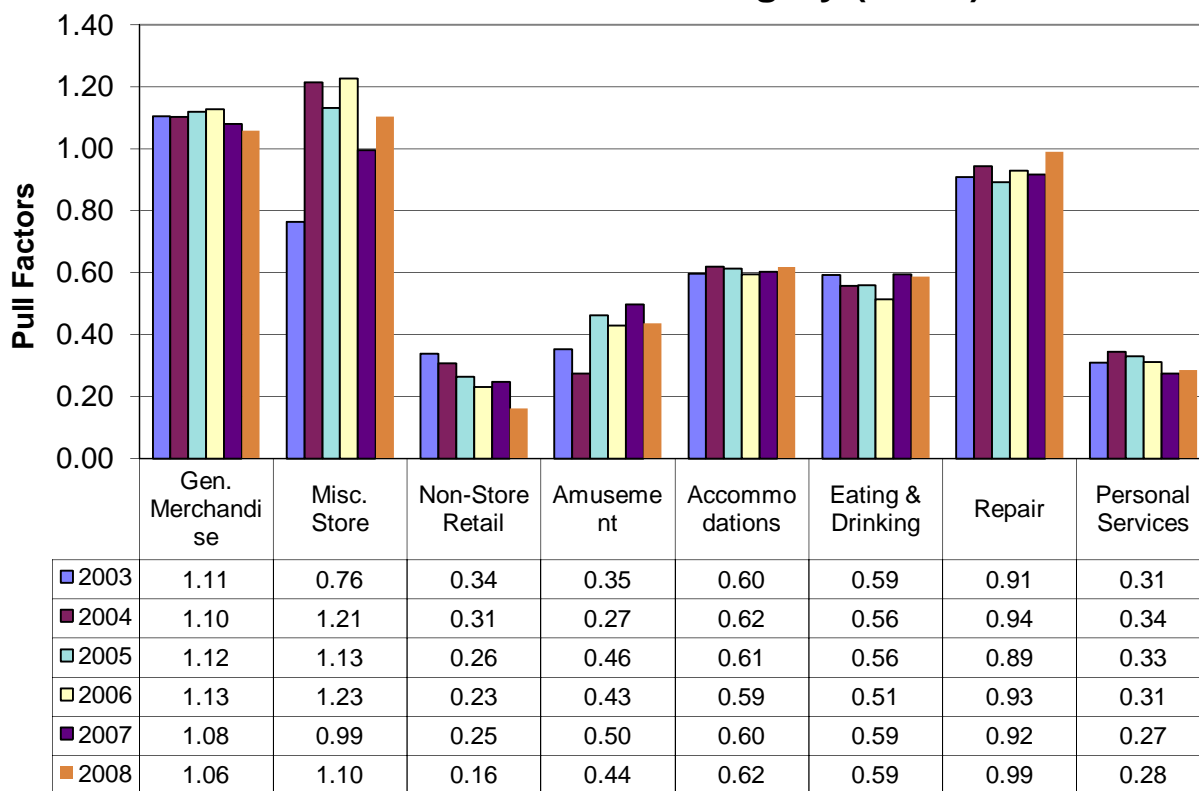
*Caution should be used when comparing pull factors before 2003 to those in later years due to the switch from SIC to NAICS.

Recent Trends By Merchandise Category

Otter Tail County

The following tables and charts depict pull factors in Otter Tail County from 2003 to 2008* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

**Pull Factor by NAICS
Merchandise Category (2 of 2)**



NAICS Category Descriptions

General Merchandise: Establishments that sell a mixed line of goods. Examples are department stores, supercenters, and dollar stores.

Miscellaneous Store Retailers: Stores not covered in other categories such as florists, office supplies, pets, antiques, tobacco, art, used merchandise, and trophies.

Non-Store Retail: Retailers that do not use stores. This includes mail order, internet selling, bazaars, vending machines, fuel oil dealers, firewood dealers, door-to-door sales, and produce stands.

Amusement: Establishments such as golf courses, bowling lanes, marinas, amusement parks, water parks, shooting ranges, pool halls, horseback riding, ballrooms, health club facilities, ski hills, and casinos.

Lodging: Seasonal resorts, hotels, boarding houses, bed & breakfast, campgrounds, RV parks.

Eating & Drinking: Restaurants, donut shops, coffee house, cafeteria, caterers, taverns, and nightclubs,

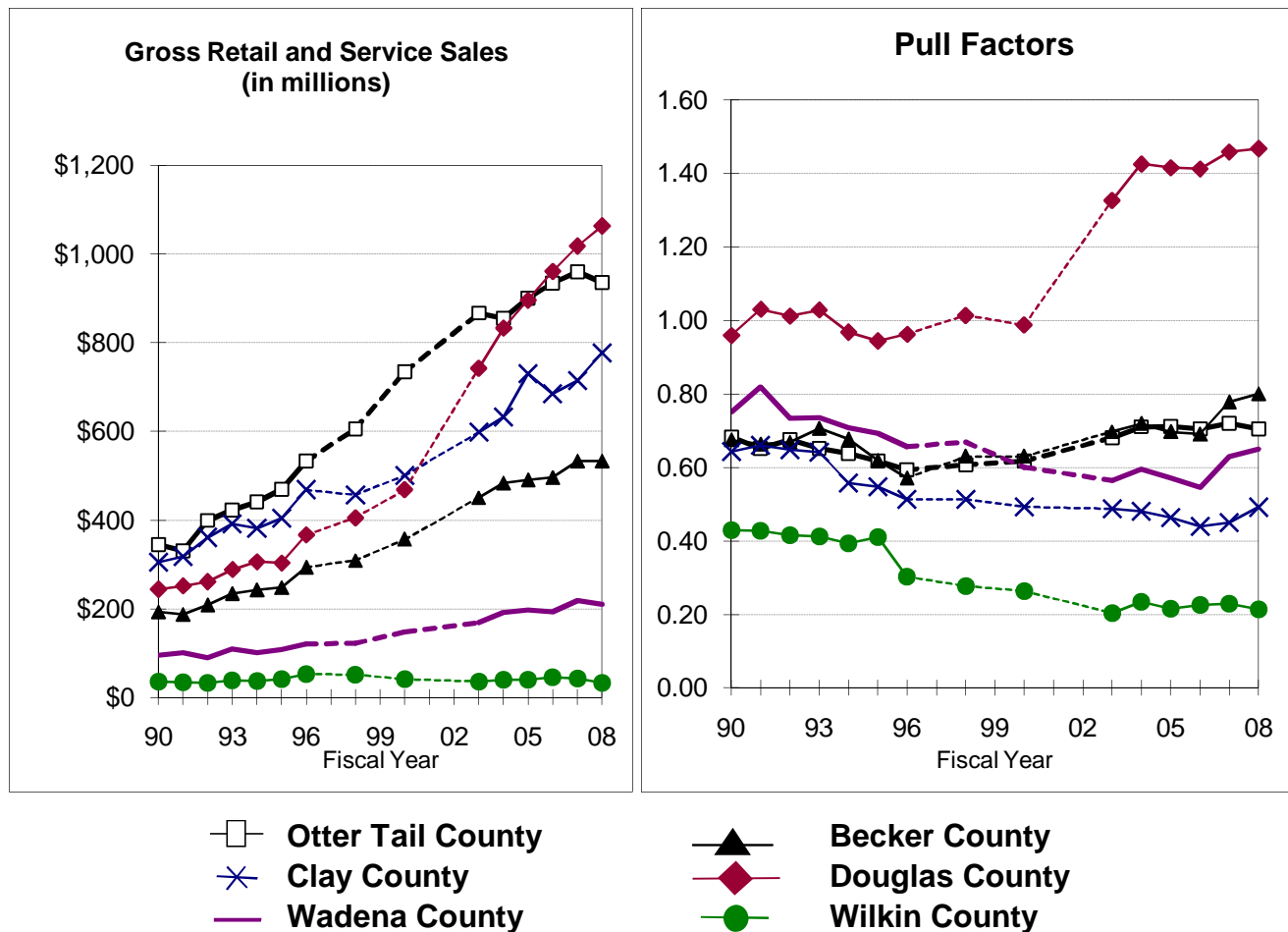
Repair: Businesses that return equipment to working order. Examples: cars, lawnmowers, small engines, knives, shoes, computers, furniture, and appliances.

Personal Services: Barbers, beauty salons, tanning facilities, funeral homes, laundromats, dry cleaners, pet groomers, kennels, and photo finishing.

*Caution should be used when comparing pull factors before 2003 to those in later years due to the switch from SIC to NAICS.

Comparison with Neighboring Counties

Otter Tail County



Comparison with Neighboring Counties, 2008

Town	Population	Gross Sales (\$millions)	Taxable Sales (\$millions)	Number of Firms	Per Capita Taxable Sales	Pull Factor (Taxable Sales)
Otter Tail County	56,786	\$935.83	\$382.49	1,677	\$6,736	0.70
Becker County	32,000	\$533.15	\$244.78	843	\$7,649	0.80
Clay County	54,835	\$776.61	\$262.16	875	\$4,701	0.49
Douglas County	36,075	\$1,062.87	\$508.83	1,237	\$14,034	1.47
Wadena County	13,382	\$210.26	\$82.62	394	\$6,207	0.65
Wilkin County	6,418	\$32.90	\$12.80	97	\$2,036	0.21

Trade Area Analysis of Retail Sales

Otter Tail County

The following tables provide information on retail sales by merchandise category. "Potential sales" is a standard to which actual performance is compared. In calculating potential sales, population and income characteristics are taken into account. Potential sales can be used as a guideline or "par value" in analyzing retail strength.

Deviations from these norms can be analyzed to first judge whether they should be considered relevant. If the differences appear to be significant (whether in dollar amounts or relatively with percentages), additional consideration is merited. Categories with undesirable performance may be further examined for potential corrective action. It is also important to determine whether or not the situation is relatively uncontrollable due to external or extenuating circumstances. In cases of favorable differences from expectations, the positive aspects should be identified and built upon.

Trade Area Analysis by Merchandise Category, 2008

Merchandise Group	Potential Sales (\$millions)	Actual Sales (\$millions)	Variance Between Actual & Potential		Trade Area Pop. Gain or Loss	Number of Firms	Percent of Total Sales
			In Dollars (millions)	As % of Expected			
Vehicles & Parts	\$16.66	\$42.15	+\$25.50	+153.1%	86,933	55	11.0%
Furniture Stores	\$12.08	\$5.32	-\$6.76	-56.0%	-31,779	35	1.4%
Electronics	\$15.86	\$1.37	-\$14.50	-91.4%	-51,889	14	0.4%
Building Materials	\$40.60	\$51.63	+\$11.03	+27.2%	15,431	58	13.5%
Food, Groceries	\$25.73	\$26.79	+\$1.06	+4.1%	2,339	56	7.0%
Health, Personal Stores	\$5.05	\$2.13	-\$2.92	-57.8%	-32,808	18	0.6%
Gasoline Stations	\$7.50	\$11.18	+\$3.68	+49.0%	27,852	36	2.9%
Apparel	\$6.93	\$5.00	-\$1.93	-27.9%	-15,838	32	1.3%
Leisure Goods	\$11.52	\$3.22	-\$8.31	-72.1%	-40,934	47	0.8%
General Merchandise Stores	\$47.89	\$64.99	+\$17.10	+35.7%	20,278	18	17.0%
Miscellaneous Retail	\$15.07	\$21.31	+\$6.24	+41.4%	23,515	222	5.6%
Amusement & Recreation	\$12.32	\$6.89	-\$5.43	-44.1%	-25,014	33	1.8%
Accommodations	\$14.69	\$11.63	-\$3.07	-20.9%	-11,863	108	3.0%
Eating & Drinking Places	\$57.33	\$43.07	-\$14.26	-24.9%	-14,124	138	11.3%
Repair, Maintenance	\$9.31	\$11.82	+\$2.50	+26.9%	15,258	199	3.1%
Personal Services, Laundry	\$7.54	\$2.75	-\$4.79	-63.5%	-36,060	124	0.7%
Total Taxable Retail & Service	\$423.47	\$382.49	-\$40.98	-9.7%	-5,495	1,677	100.0%

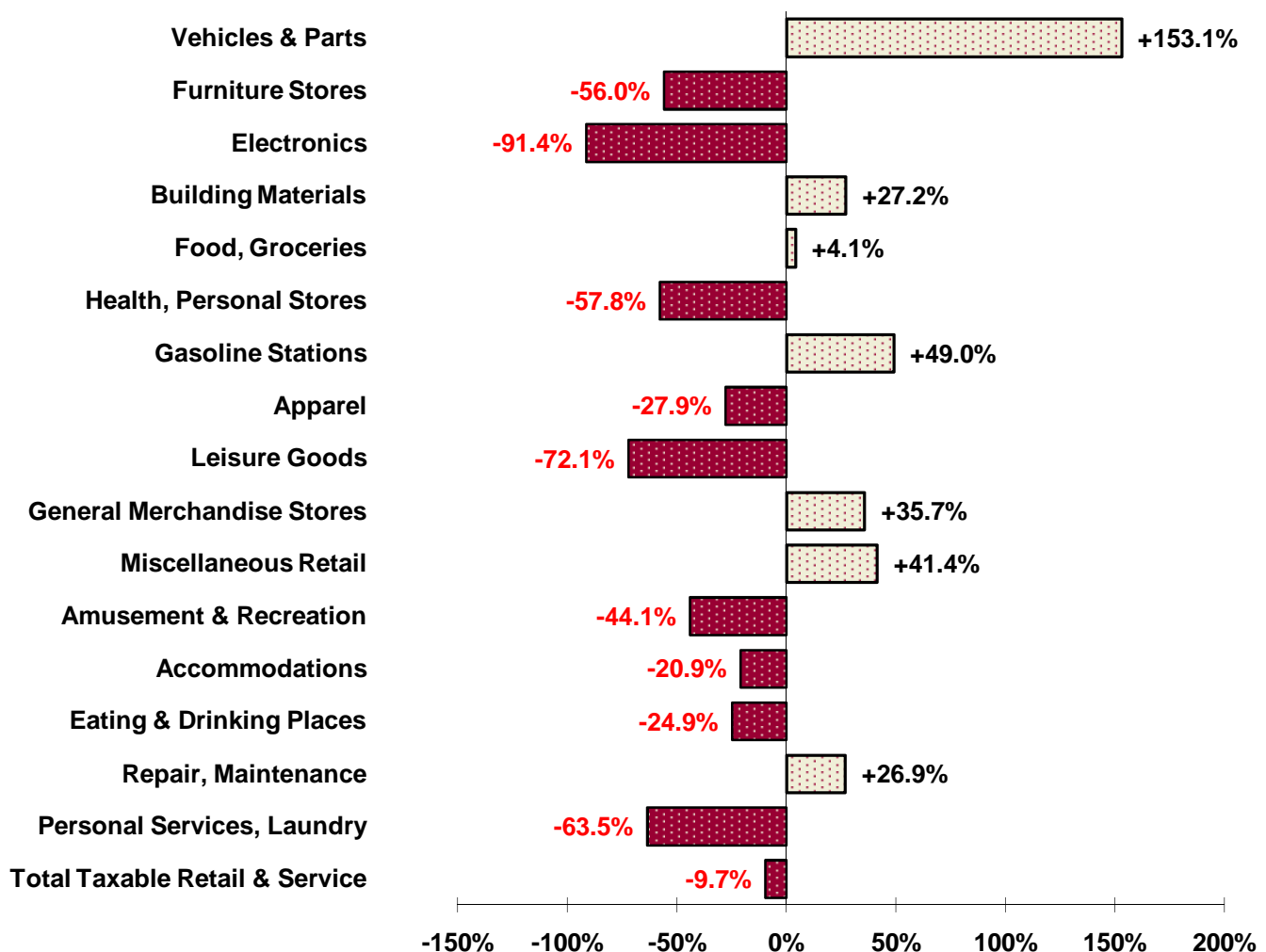
*All retail and service categories are included in Total Sales, including some categories not shown. Therefore, the merchandise groups shown here generally will not sum to Total Sales.

Summary of Otter Tail County Retail Trade

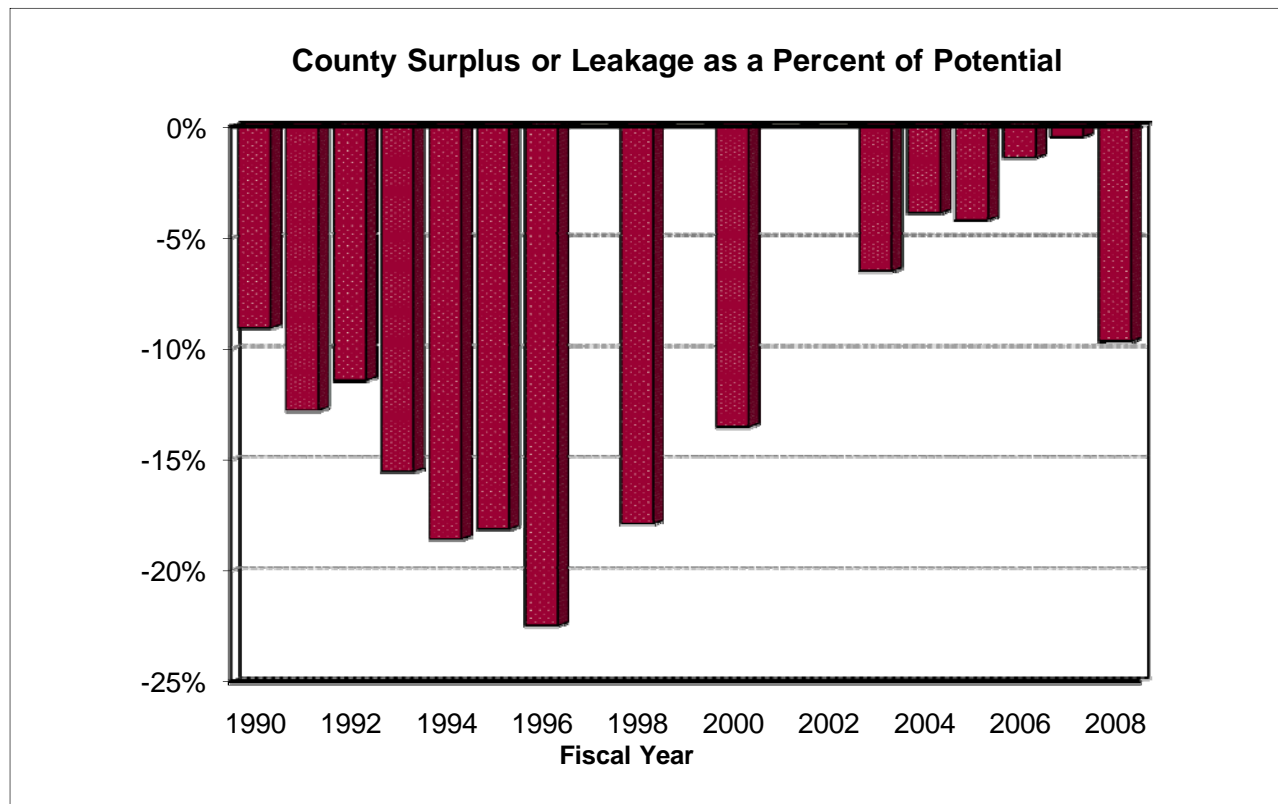
The chart below depicts the percentage amount Otter Tail County's actual sales were above or below potential sales in 2007 by merchandise group. Of the 16 merchandise categories with reported data, sales in 7 of the categories were above what would be expected based on the county's population and income characteristics as well as statewide spending patterns. The strongest merchandise group by this standard is the Vehicles & Parts category, which has a 153.1 percent surplus. Overall, Otter Tail County had a retail sales leakage of 9.7 percent.

It is important to note that variations in a county's relative retail performance may occur for a variety of reasons, some of which are beyond the control of local policy. Proximity to larger population centers, management, marketing, and transportation patterns are just a few factors that can cause the retail sales of a particular county to deviate substantially from potential sales. It is important that decision-makers consider these influences when constructing policies, plans, or projects.

Percentage Above or Below Potential Sales, 2008



Otter Tail County Retail Trade Surplus or Leakage



Fiscal Year	Population Estimate	Index of Income	Potential Sales (in millions)	Actual Sales (in millions)	Surplus or Leakage (in millions)	Surplus or Leakage as % of Potential	Trade Area Population Gain or Loss
1990	50,714	0.75	\$167.4	\$152.2	-\$15.2	-9.1%	-4,612
1991	51,158	0.75	\$167.7	\$146.2	-\$21.4	-12.8%	-6,543
1992	51,543	0.76	\$190.1	\$168.4	-\$21.7	-11.4%	-5,890
1993	51,950	0.77	\$202.1	\$170.7	-\$31.4	-15.6%	-8,079
1994	52,408	0.78	\$224.8	\$183.0	-\$41.8	-18.6%	-9,743
1995	52,935	0.75	\$227.9	\$186.5	-\$41.3	-18.1%	-9,603
1996	53,856	0.77	\$276.1	\$214.0	-\$62.1	-22.5%	-12,110
1997	54,347	0.74	NA	NA	NA	NA	NA
1998	54,794	0.74	\$282.0	\$231.5	-\$50.5	-17.9%	-9,807
1999	55,583	0.73	NA	NA	NA	NA	NA
2000	57,159	0.71	\$310.4	\$268.3	-\$42.0	-13.5%	-7,739
2001	57,494	0.72	NA	NA	NA	NA	NA
2002	58,039	0.71	NA	NA	NA	NA	NA
2003	58,847	0.73	\$382.8	\$357.9	-\$24.9	-6.5%	-3,833
2004	57,931	0.74	\$396.5	\$381.1	-\$15.4	-3.9%	-2,256
2005	57,658	0.74	\$407.9	\$390.8	-\$17.2	-4.2%	-2,424
2006	57,817	0.71	\$396.7	\$391.1	-\$5.6	-1.4%	-811
2007	57,031	0.72	\$401.5	\$399.6	-\$1.9	-0.5%	-264
2008	56,786	0.78	\$423.5	\$382.5	-\$41.0	-9.7%	-5,495

Demographic Characteristics

Income, 2004

Total Personal Income is derived from the Bureau of Economic Analysis data. Median household income and income distribution data are obtained from the 2004 Census estimates. Median household income represents the midpoint of income for all households in the town. The index of income measures the county's per capita income relative to the state. For example, an index number of 110 indicates the county's per capita income is 10 percent above the state average (which was \$36,162 in 2004).

	Total Personal Income (\$000)	Median Household Income	Index of Income
Otter Tail County	\$1,551,496	\$39,114	74.4
Becker County	\$868,070	\$40,182	75.8
Clay County	\$1,411,709	\$43,349	73.6
Douglas County	\$1,024,982	\$43,702	82.0
Wadena County	\$323,783	\$34,615	65.9
Wilkin County	\$185,186	\$43,741	75.3
State	\$184,571,393	\$51,202	100.0

Income Distribution by Household, 2000

	Less than \$20,000	\$20,000 to \$39,999	\$40,000 to \$59,999	\$60,000 and over
Otter Tail County	25.8%	30.8%	22.0%	21.4%
Becker County	27.7%	29.4%	21.4%	21.5%
Clay County	25.1%	27.7%	20.7%	26.5%
Douglas County	25.5%	27.5%	22.3%	24.6%
Wadena County	34.2%	28.9%	20.6%	16.3%
Wilkin County	23.6%	29.1%	23.9%	23.4%
State	17.6%	24.2%	21.3%	36.8%

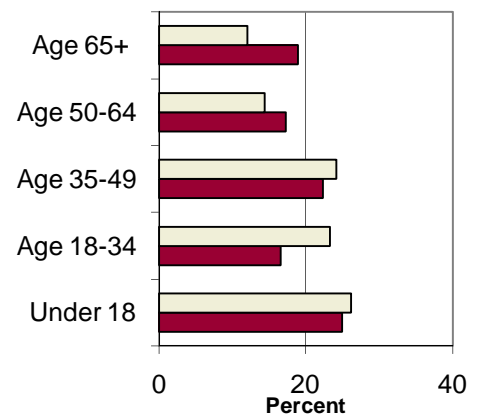
Relative to the state, Otter Tail County has more low-income households (earning less than \$20,000 annually) and fewer higher-income households (earning more than \$60,000 annually).

Population

In 2000, Otter Tail County had 22,662 households and an average of 2.52 persons per household. There were 1.9 million households statewide with an average of 2.59 persons per household. Compared to the state, Otter Tail County had a lower proportion of young people (under 18) and a higher proportion of older people (age 65+).

Age Distribution of Population, 2000

	Otter Tail County		State	
		%		%
Total	57,159		4,919,479	
Under 18	14,267	25.0	1,286,894	26.2
Age 18-34	9,453	16.5	1,143,572	23.2
Age 35-49	12,753	22.3	1,188,429	24.2
Age 50-64	9,868	17.3	706,318	14.4
Age 65+	10,818	18.9	594,266	12.1



State of Minnesota Per Capita Taxable Retail Sales & Threshold Levels for Selected Goods and Services 2008

Threshold level refers to the number of people per business, which can be used as a general guide for determining the "critical mass" necessary to support a business. These are broad averages for the state as a whole and do not reflect differences in income, tourism, agglomeration, establishment, etc. Further, the business counts are based on the number of sales tax returns filed and are converted to "full-time equivalents." Multiplying people per business by sales per capita yields average sales per firm. In addition to state averages, averages for the non-metropolitan regions were calculated by excluding the seven county Minneapolis-St. Paul metropolitan region.

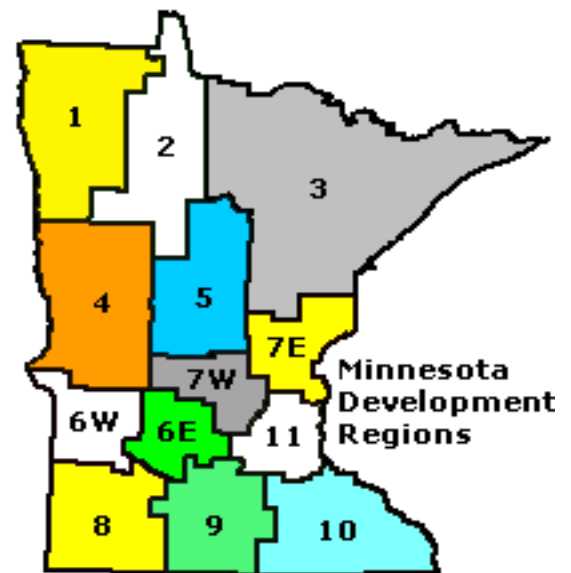
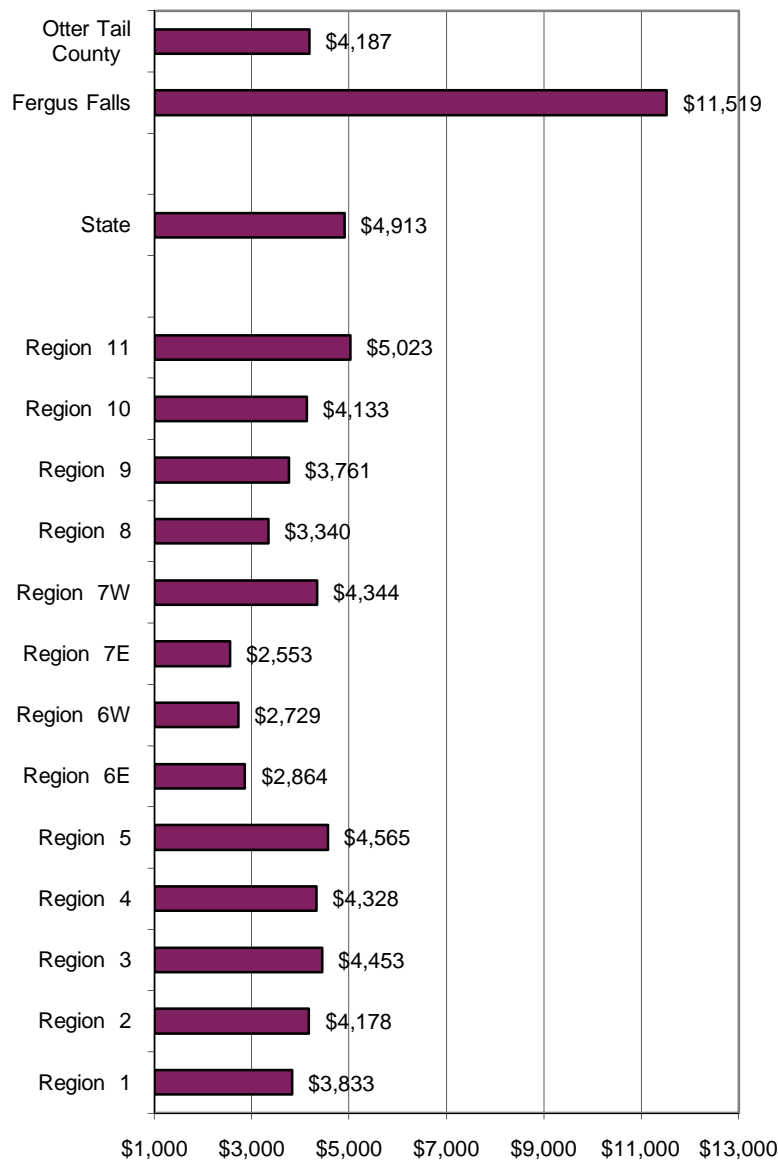
Business Activity / Store Type	People Per Business		Sales Per Capita		
	State	Non-Metro	State	Non-Metro	Fergus Falls
RETAIL TRADE					
441 Vehicles, Parts	1,663	1,297	\$375.94	\$352.16	\$2,297.61
442 Furniture Stores	2,097	2,457	\$272.69	\$169.48	\$294.79
443 Electronics	2,626	3,498	\$358.05	\$157.65	\$73.41
444 Building Materials	1,974	1,506	\$916.40	\$905.24	\$1,767.79
445 Food and Beverage Stores	1,394	1,258	\$580.72	\$489.70	\$916.01
446 Health, Personal Stores	3,201	3,679	\$114.01	\$59.94	\$16.73
447 Gasoline Stations	2,403	1,809	\$169.31	\$196.44	\$204.28
448 Clothing & Accessory Stores	1,304	1,676	\$156.52	\$94.46	\$305.00
451 Leisure Goods	1,158	1,120	\$260.11	\$173.20	\$23.71
452 General Merchandise	4,183	3,390	\$1,080.94	\$1,077.51	\$4,442.98
453 Miscellaneous Merchandise	328	311	\$340.14	\$261.22	\$1,067.57
454 Non-store Retail	843	938	\$288.25	\$81.20	\$109.17
Retail Total			\$4,913.09	\$4,018.21	\$11,519.04
INFORMATION					
511 Publishing Industry	7,555	22,315	\$27.03	\$1.00	
512 Movie & Recording Industry	12,858	58,780	\$19.47	\$8.36	
515 Broadcasting	32,833	92,692	\$92.32	\$2.81	
516 Info -Internet Publ/Brcst	130,510	30,897	\$0.15	\$1.40	
517 Telecommunications	5,846	4,471	\$794.94	\$45.30	
518 Internet Service	6,650	NA	\$66.73	NA	
519 Other Information Services	3,181	NA	\$196.04	NA	
FINANCE AND INSURANCE					
		NA			
522 Credit Intermediation	6,127	7,347	\$38.47	\$4.33	
523 Securities, Commodities	23,947	160,665	\$2.22	\$0.17	
524 Insurance Carriers	10,462	30,506	\$2.23	\$0.03	
525 Funds, Trusts	137,379	NA	\$5.03	NA	
REAL ESTATE AND RENTAL AND LEASING					
531 Real Estate	3,147	5,285	\$30.71	\$18.98	
532 Rental, Leasing Services	2,535	3,713	\$289.48	\$82.58	
533 Lessors Nonfinancial Assets	401,569	NA	\$1.46	NA	
PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES					
541 Prof, Scientific, Technical Services	449	771	\$237.70	\$70.14	
551 Mgmt Of Companies	23,099	109,545	\$10.57	\$1.52	
ADMINISTRATIVE & SUPPORT; WASTE MGMT & REMEDIATION SVCS					
561 Admin, Support Services	499	579	\$16.54	\$123.40	
562 Waste Mgmt, Remediation	12,795	15,649	\$12.46	\$0.66	
EDUCATIONAL SVCS; HEALTH & SOCIAL ASSISTANCE					
611 Educational Services	4,322	5,657	\$16.54	\$14.34	
621 Health -Ambulatory Care	1,273	1,559	\$12.46	\$8.53	
622 Health -Hospitals	35,036	109,545	\$14.23	\$7.82	
623 Health -Nursing, Home Care	13,559	14,785	\$1.51	\$1.35	
624 Health -Social Assistance	15,867	39,508	\$2.29	\$1.82	
ARTS, ENTERTAINMENT & RECREATION					
711 Performing Art, Spectator Sports	3,302	5,239	\$53.50	\$6.81	
712 Museums, Historical Sites	30,529	77,741	\$3.65	\$0.39	
713 Amusement, Gambling, Recr	2,303	1,914	\$278.02	\$137.83	
ACCOMMODATION & FOOD SERVICES					
721 Accommodation	2,064	1,183	\$331.68	\$289.41	\$380.51
722 Food Services, Drinking Places	463	444	\$1,293.92	\$951.97	\$1,475.10
OTHER SERVICES					
811 Repair, Maintenance	568	422	\$210.23	\$209.41	
812 Personal, Laundry Service	595	513	\$170.11	\$52.84	
TOTAL RETAIL AND SERVICES			\$9,558.29	\$6,563.12	

Compare the Community to the Region

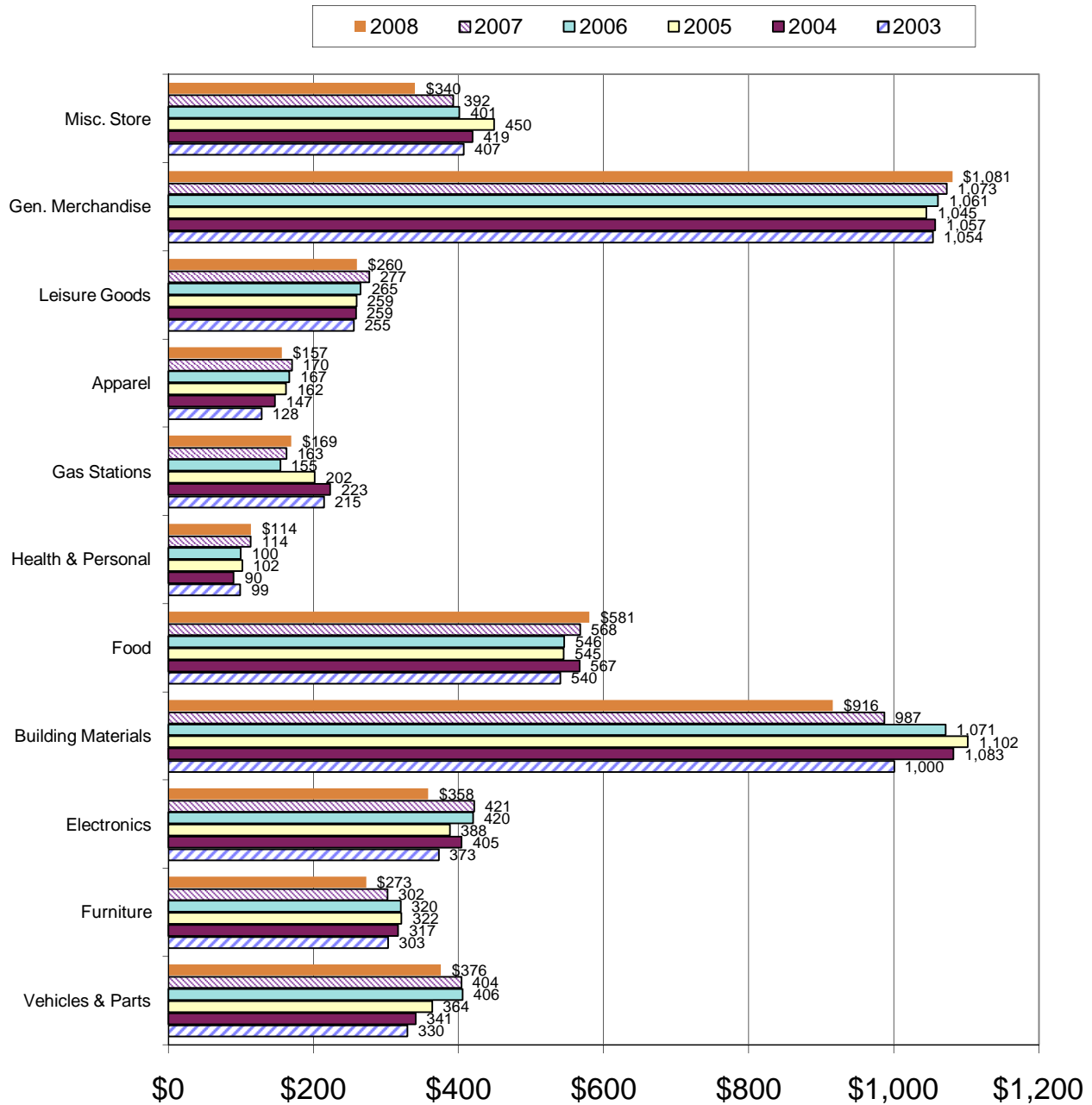
Fergus Falls and Otter Tail County

On other pages of this report we compared communities using a combination of retail sectors and service sectors. The information on this page only includes businesses in Retail Trade and does not include service sectors. The retail trade sectors include the following: building materials, motor vehicles & parts, apparel, food stores, electronics, convenience stores, leisure goods, health stores, furniture, general merchandise, non-store retail, and miscellaneous stores.

Retail Sales per capita

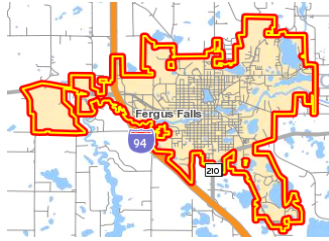


Minnesota Taxable Sales per Capita Trend



Labor Shed and Commute Shed

Fergus Falls



Labor Shed Report

Where Workers Live who are Employed in the Selection Area

Total Primary Jobs

	2008	
	Count	Share
Total Primary Jobs	8,600	100.0%

Jobs in Places Where Workers Live

	2008	
	Count	Share
Fergus Falls city, MN	3,858	44.9%
Battle Lake city, MN	99	1.2%
Dalton city, MN	80	0.9%
Wahpeton city, ND	71	0.8%
Elbow Lake city, MN	62	0.7%
Underwood city, MN	61	0.7%
Pelican Rapids city, MN	50	0.6%
Fargo city, ND	45	0.5%
Breckenridge city, MN	44	0.5%
Elizabeth city, MN	37	0.4%
All Other Locations	4,193	48.8%

Jobs in Counties Where Workers Live

	2008	
	Count	Share
Otter Tail County, MN	7,329	85.2%
Grant County, MN	176	2.0%
Wilkin County, MN	131	1.5%
Becker County, MN	113	1.3%
Richland County, ND	97	1.1%
Douglas County, MN	70	0.8%
Cass County, ND	62	0.7%
Clay County, MN	56	0.7%
Polk County, MN	41	0.5%
Stevens County, MN	39	0.5%
All Other Locations	486	5.7%

Jobs in States Where Workers Live

	2008	
	Count	Share
Minnesota	8,383	97.5%
North Dakota	198	2.3%
Missouri	4	0.0%
Nebraska	3	0.0%
Wisconsin	2	0.0%
All Other Locations	10	0.1%

Commute Shed Report

Where Workers are Employed who Live in the Selection Area

Total Primary Jobs

	2008	
	Count	Share
Total Primary Jobs	5,570	100.0%

Jobs in Places Where Workers are Employed

	2008	
	Count	Share
Fergus Falls city, MN	3,858	69.3%
Fargo city, ND	130	2.3%
Wahpeton city, ND	71	1.3%
Willmar city, MN	69	1.2%
Breckenridge city, MN	59	1.1%
Pelican Rapids city, MN	51	0.9%
Moorhead city, MN	48	0.9%
Elbow Lake city, MN	43	0.8%
Detroit Lakes city, MN	43	0.8%
Alexandria city, MN	43	0.8%
All Other Locations	1,155	20.7%

Jobs in Counties Where Workers are Employed

	2008	
	Count	Share
Otter Tail County, MN	4,254	76.4%
Cass County, ND	154	2.8%
Hennepin County, MN	132	2.4%
Richland County, ND	102	1.8%
Wilkin County, MN	72	1.3%
Kandiyohi County, MN	71	1.3%
Ramsey County, MN	65	1.2%
Douglas County, MN	61	1.1%
Grant County, MN	57	1.0%
Becker County, MN	54	1.0%
All Other Locations	548	9.8%

Jobs in States Where Workers are Employed

	2008	
	Count	Share
Minnesota	5,221	93.7%
North Dakota	296	5.3%
South Dakota	22	0.4%
Iowa	9	0.2%
Texas	5	0.1%
All Other Locations	17	0.3%